

Malta to Deny Egypt's Request To Extradite Hijack Suspect

The Associated Press
VALLETTA, Malta — The Maltese government does not intend to comply with a request by Egypt that it extradite the man thought to be the sole surviving hijacker of the EgyptAir jet, a government spokesman said Wednesday.

"Our position is that in the absence of an extradition treaty and because of the fact that a murder took place on Maltese soil, we do not see why the judicial process should not take place here," said the spokesman, Paul Mifsud.

In Cairo, Foreign Minister Esmat Abdel Meguid noted that Egypt believes it is her right to take delivery of the terrorist presently in Malta despite the fact there is no extradition treaty between the two countries.

The jetliner was hijacked Nov. 23 on an Athens-to-Cairo flight. Five people were shot, two fatally, before Egyptian commandos stormed the plane on Nov. 24 in Valletta. Fifty-eight people died during the rescue attempt.

[Maltese authorities prevented a U.S. general and two other senior officers from playing any role in the commando assault. The New York Times quoted U.S. and Mal-

tese sources in Valletta as saying. Two of the officers were asked to remain in the U.S. Embassy in Valletta while the third, Major General Robert Wiegand, who oversees U.S. military programs in Egypt, was kept isolated most of the time from the commandos and the control tower, the sources said.

[The Maltese sources said the authorities in Valletta had been infuriated by the arrival of the three officers, in full battle dress, on the plane carrying the commandos. Malta also refused to permit the landing of U.S. aircraft carrying sophisticated listening equipment and anti-terrorism experts.]

Mr. Abdel Meguid noted that early this year Egypt returned to Malta two Maltese arrested as suspects in a 1984 plot to kill a former Libyan prime minister, Abdel Hamid Bakoush. The two were never charged.

"Egypt expects Malta to deal with it on the same basis since this is the diplomatic practice between friendly countries," Mr. Abdel Meguid said.

He said Malta had not yet officially notified Egypt of its refusal to extradite the accused hijacker,

tentatively identified as Omar Marzouki, 20.

Mr. Mifsud said investigators had determined that Mr. Marzouki and two dead men who were pulled from the airplane were Palestinian.

Mr. Mifsud said he had no information about what country they may have come from or whether they belonged to any group. He said, however, that Maltese investigators had turned up "no proof" of Libyan involvement in the hijacking.

"We have no reason to believe that what has been printed in the international media about Libyan involvement is correct," he said.

Egypt has accused Libya of instigating and financing the hijacking. "We are not saying that the Egyptian allegations are wrong," Mr. Mifsud said. "But Malta does not have any direct evidence of Libyan involvement and has not been provided evidence of this by Egypt or any other party."

Western diplomats have said that two suspects carried false Moroccan passports, while Maltese officials say Mr. Marzouki carried a Tunisian passport. Tunisia has denied issuing a passport in that name.

Bonn Grants \$40 Million to Fund For U.S.-European Understanding

Washington Post Service
WASHINGTON — The West German government announced Wednesday a new \$40-million grant to the German Marshall Fund of the United States that will enable the organization "to continue indefinitely," according to Frank E. Loy, president of the group and a former high official in the State Department.

The fund is an independent American organization wholly financed by West Germany as a memorial to the Marshall Plan. Named for General George C. Marshall, who was secretary of state at its inception, the plan provided \$13.3 billion in U.S. assistance that was crucial in the recovery of Europe after World War II.

Originally, Bonn provided a gift of 147 million Deutsche marks in 15 annual installments, beginning in 1972. The amount equaled \$54 million at different exchange rates over the years. The additional grant is for \$40 million over 10 years beginning in 1987.

Mr. Loy said part of each year's installment will be added to an endowment fund that has been reinvested over the years, and which now totals \$45 million. That will permit continuation of the current annual budget of about \$5.5 million indefinitely, Mr. Loy said.

The fund carries out educational and other programs to promote understanding between Europe and the United States through grants to scholars and institutions.

Delors Says Pact Change Will Aid EC

(Continued from Page 1)

sider necessary to combat crime and to monitor immigration.

"A change in behavior is as important as a change in the rules," Mr. Delors said. "In the next year, we shall see if there has been a change."

Mr. Delors and other EC leaders gave differing assessments of the significance of the summit decisions, which were first debated at a special intergovernmental conference on reform earlier this fall.

Prime Minister Margaret Thatcher of Britain, who opposed the idea of calling the conference, said Wednesday that she still believed that the summit decisions could have been made without the intergovernmental meeting.

Mrs. Thatcher praised the decision to reduce community trade barriers, saying that this would help Britain's financial services industry expand on the continent.

But she said that the commitment to monetary policy coordination was merely a "description of the present situation."

Prime Minister Bettino Craxi of Italy, who had sought greater powers for the European Parliament than were agreed upon, said that his government's approval of the reforms depended on the judgment of the parliament.

Prime Minister Poul Schlüter of Denmark, who must seek endorsement of the reforms from a parliamentary majority that has consistently opposed treaty changes, said that no aspects of national sovereignty had been given up by the summit agreements.

U.S. to Warn Romania

(Continued from Page 1)

Two bills are pending, one in the House, and one in the Senate, to suspend tariff benefits until Romania improves its rights record.

Tuesday, the State Department made public its semiannual report to Congress on Soviet-bloc compliance with provisions of the 1975 Helsinki agreement. The report said Romania's observance of human rights "continues to be poor."

Religious activity, it said, was permitted only for the 14 faiths recognized by the government. They include the Romanian Orthodox, Roman Catholic, Hungarian Reformed, Unitarian, Lutheran, Baptist, Pentecostal, Seventh-day Adventist and Jewish faiths.

"Attempts to gather for worship by members of other faiths are treated as illegal assemblies, with participants sometimes arrested and fined," the department's report said.

So far, the United States has favored annual extension of the tariff benefits for Romania on the ground that independence from the Soviet Union should be rewarded. Officials said that without the trade benefit, the United States would lack leverage to influence developments in Romania.

Officials said Romania had been sensitive to U.S. pressure.



Bomb Damages Bank in Antwerp

A bomb heavily damaged a Bank of America office in Antwerp, Belgium, Wednesday. Belgian police said the Fighting Communist Cells, which has claimed responsibility for 26 previous bomb attacks, called police and the bank before the blast. The bank was evacuated but five persons were injured.

McFarlane Resigns Post As Reagan Security Aide

(Continued from Page 1)

McFarlane, both marine combat veterans, had personal conflicts. One story told by officials is that Mr. Regan put down Mr. McFarlane by saying that it had taken him 20 years to reach the rank of colonel while Mr. Regan had attained this rank in one-fourth the time.

The remark irritated Mr. McFarlane, a veteran of the Vietnam War, because Mr. Regan's promotion came in World War II, when promotions were more plentiful.

Mr. McFarlane, who is known as "Bud," talked to friends last summer about quitting but was convinced that he should stay through Mr. Regan's November summit meeting in Geneva with the Soviet leader, Mikhail S. Gorbachev.

Mr. McFarlane considered the meeting an overall success because it had produced agreement for additional Reagan-Gorbachev meetings and "kept the arms-control process alive," said a source close to Mr. McFarlane.

"On balance, Bud figured that this was a good time to leave," the

source said. "He had made a commitment to his wife to quit, had been in public service a very long time and was tired of the fighting. The summit, which he had a lot to do in producing, makes it possible for him to leave on a high note."

The Regan-McFarlane conflict continued at the Geneva summit. Mr. McFarlane felt irritated, some sources said, by a number of small Regan slights, beginning with a decision by the White House chief of staff to sit next to the president at the meetings despite Mr. Regan's relative inexperience in foreign policy.

Sources close to Mr. McFarlane said he is likely to become a private consultant, perhaps in association with Henry A. Kissinger, a former secretary of state and national security affairs adviser.

Mr. McFarlane was Mr. Regan's third national security adviser. He replaced William B. Clark in 1983 when Mr. Clark left to become secretary of the Interior Department. Mr. Clark had succeeded Richard V. Allen, who resigned after allegations of wrongdoing.

Mugabe and Gorbachev Talk About Arms Aid to Zimbabwe

(Continued from Page 1)

The Zimbabwean leader as a champion of peace.

At his news conference, Mr. Mugabe extolled his Soviet hosts and said: "We are closer, very much closer now in our ideas, in the support we have created and in our assessment of issues than we were yesterday."

He mentioned agriculture, mining and trade as possible areas of Soviet-Zimbabwean cooperation in the future.

In contrast, he said the United States "led us down the garden path of what they call 'constructive engagement' and we have seen what that means."

He added: "Constructive engagement means Africans must tie their hands while South Africa rains blows on them."

■ **Black Land Rights to Change**
The South African government said Wednesday that it will propose next year that blacks be allowed to own land for the first time in 72 years, but the laws will not lift restrictions on where they can live.

The Associated Press reported from Johannesburg.

Chris Heunis, the minister of constitutional planning, said the cabinet decided Tuesday to implement President Pieter W. Botha's statement of intention in Parliament early this year to extend land

ownership rights to blacks as part of a gradual reform program.

The decision would affect "urban blacks," who already have rights to live near white cities, he said, but did not imply a change in requirements that whites, blacks, Asians and people of mixed race live in separate neighborhoods.

Sheena Duncan, president of the Black Sash, a multiracial women's organization that opposes apartheid, said that about four million blacks would be affected.

Uganda Releases Ex-Aide to Amin

United Press International

KAMPALA, Uganda — Uganda has released Robert Astles, the British-born aide to the former dictator, Idi Amin, after he agreed to renounce his Ugandan citizenship and leave the country for asylum in Britain.

In London, a spokesman for the Home Office said Mr. Astles, who renounced his British citizenship while serving Marshal Amin, would be granted British citizenship again. The Associated Press reported Wednesday.

The former British Army sergeant was head of the dread State Research Bureau, the secret police, until Marshal Amin was deposed in 1979. According to diplomats, the bureau was responsible for the deaths of more than a million Ugandans under the eight-year Amin regime.

Contract Ban Is Assailed By General Dynamics

By James Gerstenvang

Los Angeles Times Service
WASHINGTON — General Dynamics Corp. has called a U.S. Navy decision to bar it from receiving any new U.S. government contracts "inappropriate."

A spokesman for the company, the third-largest military contractor in the United States, said that an indictment early this week for contract fraud of the company and four present and former executives "involves highly sophisticated regulatory and accounting matters" that should have been resolved in a civil forum.

One of the four, James M. Beggs, a former executive vice president, called a news conference for Wednesday to disclose his plans for his job as administrator of the National Aeronautics and Space Administration. Later, Mr. Beggs abruptly canceled the session.

Representative Don Fuqua, Democrat of Florida and chairman of the House Science and Technology Committee, said Tuesday that Mr. Beggs "is relinquishing his duties during the period in which the courts will judge the charges made in the indictment," Mr. Fuqua said. "He informed me of his decision to step aside."

Under the navy's decision, General Dynamics cannot sign new contracts or renew or extend existing ones with any federal agency until the case is resolved.

A navy spokesman said the suspension could be short if the indictment ends in a prompt dismissal or plea-bargaining arrangement, or could last several years if a trial is followed by appeals.

The company reported that about seven-eighths of its business for the year ended Sept. 30, was with the government.

General Dynamics was given 30 days to appeal the suspension, which was signed by Everett Pyatt, assistant navy secretary for shipbuilding and logistics.

The suspension went considerably beyond punishment meted out to the company for three months beginning in May, when the navy froze pending contracts at two General Dynamics divisions until the company revised contracting policies and practices.

A navy spokesman said the suspension could delay production of some Los Angeles-class nuclear submarines, one of General Dynamics' major weapon systems.

The company also builds Trident submarines, F-16 jet fighters, M-1 tanks and Tomahawk missiles. The suspension "could have a substantial impact," said Captain Jerome B. Finkelstein, a navy spokesman.

But one official, speaking on condition that he not be named, said the navy would delay final decisions on contracts for Los Angeles-class submarines until General Dynamics was back in the running rather than automatically awarding them to the only other major submarine builder in the country, Newport News Shipbuilding and Dry Dock Co.

"You don't want to eliminate competition," he said.

The seven-count indictment, issued Monday by a federal grand jury in Los Angeles, said Mr. Beggs took part in the alleged conspiracy before joining NASA in 1981.

Also indicted were Ralph E. Hawes Jr., general manager of the Valley Systems Division in Cucamonga, California; David L. McPherson, vice president for research and engineering at the Valley Systems Division; and James C. Hansen Jr., who directs the company's Slinger missile program.

The indictment charged them with conspiring to defraud the Defense Department of \$3.2 million in a government contract to build prototypes of the tank-mounted anti-aircraft weapon known as the Sergeant York Division Air Defense gun.

Chile Struck by 19 Bombings

The Associated Press

SANTIAGO — Nineteen bombings in two days have left one man dead and nine wounded, police reported Tuesday. Targets have included rail tracks, buses, shops, banks and a recruiting center.

Mitterrand-Jaruzelski Meeting Causes Stir

(Continued from Page 1)

receive a head of state belongs to the president of the republic, and to him alone," Mr. Fabius said.

The prime minister's explanation was greeted by jeers and shouts of "Receive Pinochet," a reference to President Augusto Pinochet, the rightist Chilean leader who is hated by the French left. Some members of the National Assembly expressed astonishment at what appeared to be Mr. Fabius's efforts to distance himself from the meeting.

WORLD BRIEFS

Bonner Goes to Siena for Eye Exam

SIENA, Italy (UPI) — Yelena G. Bonner, wife of Andrei D. Sakharov, the Soviet dissident, was driven to the Siena University Ophthalmic Institute from Rome on Wednesday to undergo an eye examination because of glaucoma. She is expected to fly to Boston on Friday.

Mrs. Bonner, 62, was accompanied on the three-hour trip by her son, Alexei I. Semynov, her son-in-law, Efrem V. Yankelevich and a friend, Irina Alberti, who has been her interpreter since Mrs. Bonner arrived in Italy from Moscow late Monday. Mr. Semynov and Mr. Yankelevich, who live in Newton, Massachusetts, flew to Italy to look after Mrs. Bonner and to accompany her when she flies to the United States for treatment of a heart ailment.

Mrs. Bonner is obeying a Soviet order not to meet with Western reporters. But Mr. Semynov and Mr. Yankelevich said Tuesday they knew of no plan to release Mr. Sakharov in exchange for Russians held in the West and suggested that rumors to that effect were being circulated by the KGB, the Soviet intelligence agency.

Jordan Said to Want Syria at Talks

JERUSALEM (UPI) — An assistant secretary of state, Richard W. Murphy, said Wednesday that Jordan feels "very strongly" that Syria should be included in the Middle East peace process. Syria is Israel's main adversary in the region.

An Israeli Foreign Ministry spokesman, Avi Pazner, said Mr. Murphy's report means that Jordan's attitude toward direct talks with Israel has taken "a turn for the worse."

Mr. Murphy, ending a 12-day trip to the Middle East and South Asia reporting on the Geneva summit, said Jordan and Syria had held three rounds of talks at the prime ministers' level, with a fourth round to be held "in the near future."

Returning Ghanaian Greeted Warmly

ACCRA, Ghana (AP) — A Ghanaian convicted of spying in the United States and released in an exchange for eight Ghanaians allegedly working for the CIA, has returned home to a hero's welcome.

Michael A. Soussou, 39, a nephew of the Ghanaian leader, Flight Lieutenant Jerry J. Rawlings, was greeted by officials and thousands of cheering supporters Tuesday at Kotoka Airport in Accra.

Last week, Ghana expelled four U.S. diplomats saying they had been involved in "wholly unacceptable" activities. In retaliation, the United States ordered the expulsion of four Ghanaian diplomats and said it was re-examining U.S. aid to Ghana, running at about \$15 million a year.

Minister Defends Irish Unity Remark

LONDON (AP) — Britain's Northern Ireland secretary, Tom King, defended Wednesday his statement that there would never be a united Ireland because of the British-Irish agreement on Northern Ireland.

Mr. King said he regretted if he had embarrassed Prime Minister Garret FitzGerald of Ireland. But he stood by remarks he made Tuesday that Mr. FitzGerald, in signing the Nov. 15 accord, had "for all practical purposes and into perpetuity" accepted that there could be no united Ireland.

The accord gives Ireland a consultative role in Northern Ireland in return for accepting that there can be no change in the status of Northern Ireland without the consent of a majority of its people. In a television interview, Mr. King said, "I was seeking to put rather forcibly the point that I believe that that consent will not change."

Filipino Rebels Release 2 Hostages

MANILA (AP) — Muslim separatist rebels freed on Wednesday an American and a German whom they had held hostage for 13 months in the wilderness of Jolo Island in the southern Philippines, the U.S. Embassy said.

Helmut Herbst of Munich and John Robinson, a native of New York who lives in Munich, were released to Pakistan's ambassador to the Philippines, Aftab Ahmad Khan, who flew to a rebel camp on the island for the turnover.

Mr. Ahmad Khan said the two men were "all right" but needed medical attention. He said they were released "without conditions." The kidnappers earlier had demanded a ransom of \$25,000 that both the U.S. and West German governments refused to pay.

Honduras to Recount Election Ballots

TEGUCIGALPA, Honduras (UPI) — The National Elections Tribunal has postponed its decision on the winner of the Nov. 24 presidential elections until Dec. 23 to recount ballots at the request of opposition parties.

But the vice president of the tribunal, Pablo Valladares, said, "It's already known who the winner is." The Liberal Party candidate, José Azcona Hoyo, is expected to be named the winner.

Rafael Leonardo Callejas, a National Party candidate, declared himself president last Friday because he received almost double the vote of his closest rival, Mr. Azcona. But under the election law endorsed by the tribunal, the winning candidate comes from the party that gained the most votes, and all Liberal Party candidates combined won more than 51 percent.

For the Record

Britain will say Thursday whether it will withdraw from UNESCO, effective Dec. 31, official sources said Wednesday in London. (APF)

The trial of a former Thai prime minister, Kriangsak Chomanan, on charges of attempting to overthrow the government began Wednesday but was adjourned until January at the prosecution's request. Mr. Kriangsak and 39 others face possible death sentences for their alleged participation in an attempted coup on Sept. 9.

Joseph P. Kennedy 2d will enter the race for the U.S. House seat from Massachusetts once held by his uncle, President John F. Kennedy. Mr. Kennedy, 32, son of the late Robert F. Kennedy, said Wednesday he would enter the Democratic primary in September. The seat is held by the House speaker, Thomas P. O'Neill Jr., who is retiring.

A former U.S. Navy intelligence analyst, Samuel L. Morison, 41, was sentenced Wednesday to two years in prison on spy charges. He was convicted by a federal jury Oct. 17 of two counts of espionage and two counts of theft of government property for leaking three U.S. spy photos to a British military journal. (AP)

Deutsche Bank Plans to Buy Flick for 4.5 Billion DM

(Continued from Page 1)

cerns, including West Germany's largest paper-making enterprise, a large chemical group and a big steel-engineering company.

Equity holdings of 25 percent in W.R. Grace & Co., an American chemical concern, and a 10 percent

stake in Daimler-Benz AG, maker of Mercedes-Benz automobiles, are also among the assets.

Analysts said such a large offering would likely give an additional boost to the booming German equity markets.

Deutsche, in its vaguely worded announcement, appeared to present its role in the takeover offer as that of a investment broker, purchasing the Flick group's assets temporarily to later sell them to the public through a share offering. The bank has the potential of realizing a major capital gain if the share price were to jump after the offering.

Peter Beton, European securities analyst at Phillips & Drew, based in London, said Deutsche bank "could well realize a net profit from the transaction of a half billion dollars" if it timed the Flick offering right.

The announcement follows sharp criticism in recent weeks from Bonn's top anti-trust official, Wolfgang Kartte, and a high-ranking Economics Ministry official, Otto Schlecht, that commercial banks in West Germany have amassed holdings in West German industry to extensive that they threatened free competition.

Deutsche said that details about the timing of the stock offer would be disclosed early next year, following the transformation of the private Flick group into a joint-stock company from a limited partnership.

Flick, with interests in nearly every aspect of industry and a workforce of 42,500, reported sales of 10.52 billion DM in 1984 and profit of 206 million DM, down 30 percent from 295 million DM the year earlier.

Mr. Beton said Phillips & Drew immediately upgraded its per-share earnings projection for Deutsche next year to at least 60 DM from 55 DM from before the announcement.

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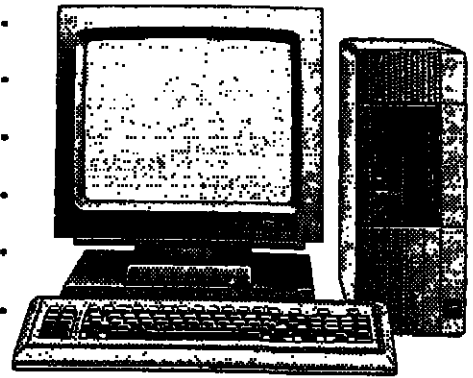
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Published With The New York Times and The Washington Post

Europe: No Short Cuts

Condemning this week's European summit as a failure is short-sighted and faint-hearted. Europe simply failed to achieve the impossible task it set itself at its last summit in Milan. Discouragement is out of order.

After some thin years, Europe has been inspired by the new president of the community, Jacques Delors, to go for a real common market, with virtually no economic frontiers, by 1992. Although tariffs no longer exist inside Europe, there are still huge obstacles to the movement of goods, services, people and money. As a result, a group bigger than either the United States or Japan is far from reaping the economic benefits of a large unified market. Europe today is little more than a geographical expression of 10 separate mini-markets.

Breaking down all the remaining barriers will be hard. Progress in Europe is slow because all important decisions require unanimity. The original Treaty of Rome envisaged majority voting, but this had to be set aside 20 years ago to appease General Charles de Gaulle. The unwritten rules of the game today give each country the right of veto where its self-stated major interests are at stake. West Germany recently invoked this right to block a minute reduction in the excessive price of wheat.

The feeling surfaced last July in Milan that decisions could not be taken unless the unanimity rule were circumvented. So the summiters (with some misgivings) instructed their juniors to come up with proposals to change this in December. This week, predictably, no really major change in community practice could be agreed upon.

Public opinion in Europe is not ready for majority voting, which implies a readiness to sink narrow, national interests in the common good. Successive governments have

done little to boost the European ideal, because they find their electoral prospects better served by concentrating on short-term, inward-looking questions—or by capitalizing on xenophobia, the fear of foreigners. The European Parliament could have been useful here. But it has been treated with ill-conceived contempt by most governments, and is of small interest to the public apart from the clues that its elections give to domestic political swings.

More fundamentally, the problems to be solved before Europe's economy is truly without frontiers are fiendishly difficult. The economic barricades are partly the heritage of outmoded bureaucratic tradition. But many of them are considered, simultaneously, to be vital to the chosen conditions of life in the instigating countries while countries on the other side of the barriers regard them as unjustified interference with market mechanisms. Just where do import checks to keep your animal stock free of disease become unacceptable agricultural protection in disguise? The same question can be asked about any of the present national systems for industrial standards or government procurement.

There are no short cuts to a genuine free market in Europe. Community governments can only slog on, attacking one barrier after another and think themselves lucky if, seven years hence, Europe's economic frontiers are a thing for the history books.

The task is important, because it promises great rewards. But this particular road to riches is long and bumpy. Tuesday's failure to find a bypass does not mean that the voyage is wrong, but only that Europe should stop being quixotic about the early surrender of titular sovereignty on the way.

INTERNATIONAL HERALD TRIBUNE

Manila's Shameless Verdict

To nobody's surprise, a court in Manila has absolved 26 Filipinos accused of murdering Benigno Aquino, including the key defendant, General Fabian Ver, now returned to his former post as chief of staff. Worthless as law, the acquittal is a political act. It suggests that those who risk their necks for President Ferdinand Marcos are legally untouchable.

Worse, the verdict implies that Mr. Marcos and his wife have reason for maneuvering: to assure the loyalty, and silence, of the accused. Hard facts justify these inferences. Mr. Marcos vowed that an impartial commission would uncover the truth about Mr. Aquino's death in August 1983 at Manila airport. First he named a family friend to head the inquiry. Only when he was forced to back down did he appoint a civilian fact-finding board headed by former judge, Corazon Agrava.

A majority of the five-member Agrava panel rejected the government's contention that a lone gunman killed Mr. Aquino and concluded that "the evidence proves the complicity of General Ver." But the charges were submitted to a lower-level court, witnesses vanished and eventually the Marcos-appointed Supreme Court agreed that crucial evidence against

General Ver was inadmissible. The prosecution even refused to accept the testimony of six U.S. airmen against the general. This tainted record is the basis for the tainted acquittal from another Marcos-appointed court.

The timing is as shameless as the result. Only weeks ago President Reagan's personal emissary, Senator Paul Laxalt, warned Mr. Marcos of a "firestorm" in the U.S. Congress if General Ver were named chief of staff. In response Mr. Marcos affirmed his support for the general, and to deflect American pressure abruptly announced elections. Facing a divided opposition and with the leverage of incumbency, the House of Marcos is almost sure to prevail in the Feb. 7 vote.

The Communist guerrillas in the rapidly growing and increasingly brutal New People's Army are banking on that. Yet as the country slides deeper into turmoil, as outsiders talk of another Vietnam or another Iran, a cheerful voice is heard. It is that of Mrs. Imelda Marcos, and she has her own historical parallel. She compares her husband and his 20-year rule to John Kennedy's Camelot. This Marcos moment, alas, is neither brief nor shining.

—THE NEW YORK TIMES

Other Opinion

Spying Between Friends

Israel's government has progressed from "shock and consternation" at exposure of its alleged espionage activities in the United States to a cabinet apology for such misbehavior "to the extent that it took place." In between these official statements came a stream of unattributed comments seeking either to obscure some of the messier political issues raised by the arrest of Jonathan Jay Pollard or to provide high-horse justification for Israel's alleged employment of him. This included the suggestion that Israel was using Mr. Pollard only to lay hands on information that Washington should have been supplying anyway.

The U.S. government, which welcomed the Israeli cabinet's apology, seems no less eager than Israel to see this whole business quickly disposed of for the sake of the mutual long-term interests of both countries. The short term, however, is something else. The arrest of Mr. Pollard, a civilian employee of the Naval Investigative Service, on charges that he sold a bundle of classified material to Israel, is a serious matter, not so much for the intrinsic harm that might have been done—recent

cases involving Americans spying for the Soviet Union and China are almost certainly far more grievous—but because a friendly and allied country was involved. While alliances are often based on expediency, friendships depend on trust. That trust has been damaged.

—Los Angeles Times

Esteem for Mandela Grows

From the point of view of the South African government, it may not be very clever to keep Nelson Mandela in prison. His incarceration has done wonders for his reputation. Throughout the world roads are named after him, statues raised to him, and songs sung about him. Foreign governments demand his release if further sanctions are not to be imposed. The setting free of Mr. Mandela would test the faith of all those foreign governments who have set so much store by it. The South Africans are lucky in that his release would involve no great sacrifice. Those countries which have threatened to implement further sanctions in the event of Mr. Mandela not being released would then have to think again.

—Daily Telegraph (London)

FROM OUR DEC. 5 PAGES, 75 AND 50 YEARS AGO

1910: China's Navy Seeks U.S. Loan

PARIS—Another significant development in American-Chinese relations was disclosed [on Dec. 3] when it was reported that, as a consequence of Prince Tsai-Hsun's visit to America, the Chinese Naval Board had begun negotiations with the Morgan-Kuhn-Loeb group of capitalists for the floating of a loan of forty million taels. A certain percentage of this loan is to be employed in the construction of naval dockyards and arsenals. The remainder, and this, for Americans, is the significant feature of the operation, is to be allotted for the building of warships in the United States. American statesmen, financiers, manufacturers and merchants are now alive to the fact that the next great field for expansion of U.S. commerce is China. "Westward the star of empire takes its way," So does the star of American trade.

1935: Stronger Defenses for America

WASHINGTON—In view of war threats, Congressional leaders are planning a vast strengthening of U.S. military defenses in the Pacific and in the air through a record-breaking peacetime Army appropriation, Chairman Tim W. Patman, of the House Appropriations Subcommittee, revealed [on Dec. 4]. Representative Patman said his committee will seek expansion of the Army Corps, fortifications and bases in Hawaii, along the Pacific Coast, in the Panama Canal Zone and along the southwestern frontier. "Before we finish we expect to make Hawaii as impregnable as Gibraltar and afford adequate protection to West Coast cities," he said. He intimated that a five-year airplane building program might be included to raise Army air strength from the present 1,500 planes by adding 800 craft annually.

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U.S. Should Not Brush Off Pollard Case...

By Edwin M. Yoder Jr.

WASHINGTON—Standing alone, the discovery that Israel has been buying U.S. Navy secrets might be dismissed as the equivalent of a "third-rate burglary," as the Israelis clearly would like it to be. The odds of Israel's hiring, Jonathan Jay Pollard, would tend to support such a minimalist reading of the affair.

Mr. Pollard is a civilian intelligence analyst for the Navy. He was arrested Nov. 21 outside the Israeli Embassy with a load of sensitive documents. Two of his Israeli contacts were promptly called home. As subsequently portrayed by friends, Mr. Pollard emerges as an amateurish and glibly charming, living in a world of James Bond fantasies and even boasting of a "colony" in Israeli intelligence. The hiring of an agent so unlike Israel's storied professionals might normally mark the affair as an aberration.

But the Pollard case did not arise out of a vacuum. In the perspective of recent U.S.-Israeli relations, it can be taken as part of an increasingly unwholesome pattern: a pattern of excessive dependency in which impudence has become a substitute for independence.

The pattern started to take shape in 1981, when by unfortunate coincidence the Israeli jingo got the upper hand even as the Reagan administration was giving Israel what amounted to a carte blanche for military adventurism in the guise of self-defense.

The first result, from which much mischief has flowed, was the invasion of Lebanon, long desired but previously checked by pressure from the Carter administration. Maybe the United States did not actually give Israel the go-ahead. But no veto was exercised and only when the Reagan administration found itself nervously picking up pieces in Beirut in an election year did the price of permissiveness begin to dawn.

The Lebanese adventure was a calamity, for Israel as well as Lebanon. But as if to rub in its impotence, its architect, Ariel Sharon, was soon parading a charge of "blood libel" against Time magazine in an American court—and this with full government financial backing. Official Israeli sponsorship of this escapade was revealing.

Meanwhile, in no particular order, the Israelis were brusquely rebuffing President Reagan's belated peace initiative for the West Bank; picking the week of a visit by King Hussein of Jordan to Washington for a bombing raid against Palestine

Liberation Organization headquarters near Tunis; and, of course, petitioning Israel's friends in Congress to keep U.S. military and economic aid flowing. Indeed, after the Lebanon invasion, that aid was substantially augmented. U.S. taxpayers were indemnifying Israel's self-inflicted wounds.

It was predictable that limitless indulgence in Washington would encourage limitless arrogance in Jerusalem. It is the all too familiar psychology of dependency, sowing to resentment and aggressiveness. No wise government expects gratitude of a friend and beneficiary. It is entitled, however, to expect discretion and self-restraint.

It is important, but hardly all-important, to know whether Mr. Pollard was a low-level Israeli bureaucrat or top cabinet official. That he was employed at all to steal U.S. secrets reveals an attitude which, unchecked, could lead to dangerous estrangement.

Among the many undocumented suspicions

afloat is that the Pollard channel was being used to tap, via Sixth-Fleet intelligence, into confidential U.S.-Egyptian military exercises. Does the foolishness of this need underscoring? The United States has been, and still is, the linchpin of peacemaking between Israel and Egypt. Espionage that jeopardizes Egypt's confidence in U.S. good offices is reckless of a rare order.

There is a school of thought that the Pollard affair should be brushed aside, left hanging in the hope it will be eclipsed by the next 24-hour wonder of a television story. Sunday's stilted exchange of bland platitudes between Prime Minister Peres and Secretary of State Shultz is part of the brush-off, no doubt.

But evasion is false friendship. Israel is drifting into the compromising position of an economic ward of the United States, and its resentment is taking rash forms. The Tunis raid was an example; the Pollard affair may be. Painful candor now may prevent dangerous strain later, and we should insist on no less.

Washington Post Writers Group



Wailing Wall

... But It Should Act to Deter Any Would-Be Spies

By Tom Wicker

ican interests to the extent that Larry Wei-Tai Chin is charged with having done in more than 20 years as a Chinese "mole" inside the CIA.

Second, and almost as obvious, the United States cannot protect its vital secrets by more and more classification of documents, with the consequent need for more classifiers and more people to be cleared to read the classified material. Aside from the absurdity of having thousands of officials authorized to put a classification stamp on things, the result is the degradation of security. Where everything is secret, as Justice Potter Stewart once observed, nothing can be truly secret.

The necessity for clearing so many people also overwhelms the security agencies charged with the

task. Too many government workers are not adequately checked before clearance; and too few are rechecked frequently enough after the original clearance.

Being a liberal or a "leftist" or even a Marxist-Leninist is in itself no more a security threat to the United States than being a Republican, a Rotarian or a churchgoer. If any of the last three were in a sensitive government position, or otherwise had access to secrets, and found himself in dire need of money, or in fear for relatives abroad, or in need for a better life, he might be born more easily than in a class taught by a Marxist professor of economics.

And all these government security flaps—usually resulting only in more lie detector tests for more peo-

ple—are essentially measures to stop leaks or to catch leakers, neither of which is the real security problem. Nor will more limits on the Freedom of Information Act or a new official secrets act get at the necessary target. These, too, would be efforts to restrict the public release of information—most of which, inevitably, would not be legitimately secret but only inconvenient or politically embarrassing.

The direct passage of real security secrets to foreign governments, by professionals or by coerced victims, is the problem. The Espionage Act provides all the potential power the government needs; what's lacking is an effective counterespionage program, not just to lock the barn after the horse has been stolen, but to deter the potential thief.

The New York Times

Are We All Really Under Surveillance?

By Gary T. Marx

LOS ANGELES—The Soviet Union's use of an invisible chemical dust to monitor the whereabouts of Americans raised eyebrows last summer. Yet this technique is only one in a broad family of methods revolutionizing surveillance. These methods' application in democracies should raise concern about liberty and privacy.

Consider, for example, the electronic leashes marketed for children and convicts. One device consists of a tiny transmitter that fastens to a child. A monitor gives off an alarm if the child goes beyond a specified distance. An electronic ankle that signals a central computer if it is removed or if the wearer strays, is being tested. Beepers can be put anywhere, without a warrant.

Other devices measure people's internal states as presumed indicators of behavior. Police in New Jersey are testing a machine that scans brain waves to detect drug use. Virginia police are testing a "passive electronic sensor" in a flashlight that automatically measures alcohol levels in the breath when merely pointed at a person. There are other new truth verification mechanisms that draw inferences from voice micro-tremors and stomach flutters.

Satellites, mini-radars, conventional aircraft and night-vision devices have greatly extended visual surveillance. Subminiature tape recorders the size of a matchbox and video cameras the size of a deck of cards facilitate covert surveillance. By picking up sound vibrations on a window, lasers and parabolic microphones permit eavesdropping without entering the premises. A spy might be born more easily than in a class taught by a Marxist professor of economics.

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ple—are essentially measures to stop leaks or to catch leakers, neither of which is the real security problem. Nor will more limits on the Freedom of Information Act or a new official secrets act get at the necessary target. These, too, would be efforts to restrict the public release of information—most of which, inevitably, would not be legitimately secret but only inconvenient or politically embarrassing.

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The things we wish to keep private increasingly consist of intangible information stored in large bureaucracies rather than in our desks. A report on electronic surveillance and civil liberties just released by the Congressional Office of Technology Assessment makes it clear that new technologies have outstripped existing statutes and policies. There are no easy answers. But if we are to remain a society with individual liberty and limits on government, there must be greater awareness of the changing nature of privacy and emerging threats to it.

The writer is a professor at the Massachusetts Institute of Technology. He contributed this comment to the Los Angeles Times.

ing of factory compliance with pollution emission standards through satellite photography. Americans seem willing to live with intrusive technologies because of the expected benefits.

There has been insufficient attention to the negative aspects of these trends, on privacy. We tend to take privacy for granted without realizing how technology is making it irrelevant. Privacy is difficult to protect because much of the surveillance either is almost impossible to detect or truly invisible.

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They have been arguing inside the program to no avail, unable to tell Mr. Reagan what's happening. That is why their concerns are seeping into public print, despite the gag rule.

For and against the other arguments for and against the war were "it is based on good science it can never be anything more than what Mr. Reagan calls it, his 'dream.' But it could be a devastating nightmare, sapping the authenticity of American science."

The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Mideast Peacemakers Can't Afford to Ignore Assad

By Dennis Mullin

NEW YORK—President Hafiz al-Assad of Syria has once again maneuvered himself into the center of the Middle East peace equation and stands by ready to exercise his well-practiced veto. This is an unpleasant fact, but the other powers seeking peace ignore it at their peril.

The daylight last month between Israeli jets and Syrian MIGs was just the latest reminder that Mr. Assad is determined not to be ignored, as the diplomatic prospect shifts once again, this time away from an American sponsored step-by-step process toward a broader regional parity.

There has been a flurry of diplomatic activity in the last few weeks. Reports of a secret meeting between King Hussein and Prime Minister Shimon Peres gave rise to hopes that the king might be moving toward direct negotiations that would include Palestinians acceptable to Israel. But the king complicated the picture by sending his prime minister, Zeid Rifai, to Damascus.

King Hussein thus made it clear that no matter what else happens, he still needs an Arab "umbrella" for any peace talks. Mr. Assad would be a crucial part of this—for if he is excluded, he might well unleash a terrorist campaign against Jordan.

Why should Mr. Assad agree to bury the hatchet with King Hussein? For one thing, Mr. Assad fears being left out of any peace confer-

ence. He wants to be sure the Golan Heights is on the agenda, and is concerned about the possibility that Moscow may resume diplomatic ties with Israel, leaving him alone to face Israel's military might.

Second, he and King Hussein share an antipathy to Yasser Arafat. The king is disgusted with the Palestinian

The kidnapping of four Russians in Lebanon threatened Syria's supply of Soviet arms.

leader over the hijacking of the Italian cruise ship Achille Lauro and for waffling on the selection of a delegation to talk with Israel. Mr. Assad's contempt for Mr. Arafat is rooted in years of battle in Lebanon.

Third, Syria needs a new strategy to counter events in the Gulf. Mr. Assad's Ba'athist enemy, Saddam Hussein of Iraq, has not, as the Syrians hoped, been destroyed by the Iran-Iraq war. In fact, the Iraqis have been doing better lately, and their jets have cut off the oil flow from Kharg Island, thus depriving Mr. Assad of the millions of dollars worth of subsidized oil shipments from Iraq.

As a result, Mr. Assad needs new

financing from Saudi Arabia. In return, Syria has agreed to modify its support for Iran and allow King Hussein to try to get an international conference off the ground.

Fourth, Mr. Assad is concerned about the strength of the Lebanese Shiite movement. The kidnapping of four Soviet diplomats in Beirut alarmed Damascus and threatened its supply of Soviet arms.

Finally, to satisfy Syria, the Palestinian issue must be settled in all its aspects. For Syria, Kuwait, Jordan and several other Arab nations, the Palestinian problem is above all a refugee problem with serious domestic political implications. These states want to settle the status of the millions of displaced Palestinians—particularly now that the oil boom is over and Palestinian labor is no longer needed in the Gulf.

Thus, for Syria, it would be better to encourage a conference that would address the Palestinian issue in a comprehensive way than to allow King Hussein to go it alone. But for all the compromise, Syria will extract a heavy price. Apart from an agenda including the Golan Heights, it will demand that its hegemony over Lebanon not be contested.

That in itself is a veto of sorts. Israel is highly unlikely to go that far. A comprehensive conference is unlikely to be acceptable to all Israelis,

and if by some chance one were held, the Syrians themselves might sabotage it by using proxy fighters to destabilize Jordan and cause mischief on Israel's northern border.

Given the dim outlook for a broad accord, the United States, Israel and Jordan will undoubtedly continue to try for a partial settlement. But all involved, particularly the Americans, would be wise to emulate King Hussein, and keep looking over their shoulder for Mr. Assad.

The writer, a fellow at the Council on Foreign Relations, is on leave from U.S. News & World Report. He contributed this to The New York Times.

Outdoing the Israelis

The Washington Post editorial "Israel: Spying on a Friend" (Nov. 28) has all the marks of a shabby attempt to present the Jonathan Jay Pollard spy case as nothing more than a modest misunderstanding between friends. The argument is finally that any nation must not only keep an eye on its friends as well; and secondly, that even if there has been some dirty work between Israel and an American, it only balances U.S. spying on Israel during the 1967 war.

To block that so-called spying, Israeli air and naval craft tried to sink the communications ship USS Liberty, "shot it up," as the editorial says. The shooting up lasted for 75 minutes, killing 34 and wounding 75 of the ship's crew. And when pneumatic life rafts were lowered overboard, they were sunk.

Even Israel isn't so hypocritical as to call the Liberty's presence in operations "spying." It finally admitted what it first denied doing, and then apologized, blaming "mistaken identity." The Washington Post now seeks to outdo the Israelis.

J.M. BRADLEY

Bonn.

Shultz Seeks Delay on Angolan Rebel Aid

By Doyle McManus
Los Angeles Times Service
WASHINGTON — Secretary of State George P. Shultz has indicated that he opposes any immediate decision to provide covert aid to Angolan rebels, hoping that a delay will spur Angola's Marxist regime toward a negotiated settlement.

Mr. Shultz said that a U.S.-Angolan meeting last week offers new hope that the Luanda government, faced with the threat of large-scale U.S. aid to the rebels, will agree to long-standing U.S. demands that it send Cuban troops home and negotiate with the insurgents.

The talks "really were useful," he said Monday during a trip to Colombia for a meeting of the Organi-

zation of American States. "I'd put it in a positive way."

He said that the Reagan administration backs Jonas Savimbi, leader of the rebel group known by its Portuguese acronym of UNITA. But he said Washington would prefer negotiations to an escalation of Angola's 10-year guerrilla war.

"The question is, what's the most effective way to do it?" Mr. Shultz said. "And if a negotiation can take place that withdraws foreign forces from Angola and Namibia — that gets a Namibian settlement — well, then that's a good way to support Savimbi."

The United States has sought for five years to negotiate a withdrawal of the estimated 30,000 Cuban

combat troops propping up the Angolan regime, as well as a withdrawal of South Africa's army from neighboring South-West Africa, or Namibia. Both Angola and South Africa have resisted the effort.

Mr. Shultz is opposed by conservatives in the administration and Congress, who want to give Mr. Savimbi enough aid to overthrow the government of President José Eduardo dos Santos.

President Reagan said last month that he and Mr. Shultz favored covert aid to Mr. Savimbi. But other officials said that Mr. Shultz wanted to give the Angolan government a last chance to negotiate before committing the United States to a secret military role.

"Our policy is to try to find a way to end the violence," a State Department official said. "We have not backed away from that."

Chester A. Crocker, assistant secretary of state for African affairs, traveled to Zambia last week for two days of talks with Angola's interior minister, Manuel Alexandre Rodrigues, the first such contact in five months.

Mr. Crocker said after the meetings that the United States wants to "re-energize" negotiations, and Mr. Rodrigues said the two countries had agreed to meet again soon.

The Central Intelligence Agency aided UNITA during the 1975-76 civil war until Congress learned of the practice. The legislators lifted their prohibition on aid to UNITA this summer.

Alliances in Congress

The more than 100 House members who urged Mr. Reagan in a letter last week to continue his policy of withholding overt aid for Angolan rebels were primarily liberal Democrats who often oppose his foreign policy. The New York Times reported from Washington.

And the members who sponsored a bill to require the administration to reverse its policy and aid the rebels were mostly conservative Republicans.

The Angolan rebels exemplify a continuing debate on Capitol Hill over how far the United States should go in aiding what Mr. Reagan likes to call "freedom fighters" around the world. The answers and alliances often do not follow obvious lines.

It also demonstrates the many ways Congress tries to influence foreign policy, most often by prodding the administration in a direction through strategies short of actual legislation.

In addition, the congressmen were warning Mr. Reagan that any request for Angolan aid would spur a major clash on Capitol Hill.

Koreas Fail to Agree On Family Reunions

United Press International
SEOUL — A meeting between Red Cross officials of South and North Korea ended Wednesday with disagreement on how to reunite 10 million separated family members in the divided peninsula, but with resumption of talks set for Feb. 26.

North Korea insisted on free border crossings for people searching for friends and relatives. South Korea called this an attempt to infiltrate "trained political agitators." Last September, 30 visitors from each side crossed the border in the first exchange of ordinary citizens in 40 years.



Laotian women marching during a military parade that marked the 10th year of Communist rule in that country.

Laos Appeals for Talks With Neighboring Nations

Communists Mark 10th Anniversary Calling for End to 'External Interference'

By William Branigin
Washington Post Service

BANGKOK — Laos marked its 10th anniversary of Communist rule this week with an appeal for talks between the Indochinese states and their non-Communist neighbors on how to rid the region of "external interference."

The appeal was made Monday in a speech by the Lao prime minister and Communist party chief, Kaysone Phommvihane, before a parade through the capital, Vientiane, by military units and civilian workers. The procession also featured floats representing various economic enterprises, a fly-past by Lao Air Force jets and a walk-past by several elephants.

Unlike celebrations in Vietnam in April to mark the 10th anniversary of the Communist victory over the U.S.-backed Saigon government, the Lao festivities were fairly low-key.

Only a few Western reporters were allowed into the exclusive, land-locked country for the event, and dignitaries from other Communist states provided the principal audience. Among those present were leaders of the two other Indochinese countries: Le Duan, general secretary of the Vietnamese Communist party, and Heng Sam-

rin, the president of the Hanoi-installed government in Cambodia. In his speech, Mr. Kaysone said Laos wanted to improve relations with China and Thailand, which have long been hostile to the pro-Vietnamese regime in Vientiane and have given support to anti-Communist rebels in Laos.

Mr. Kaysone called for talks between the Indochinese states and the six-member Association of South East Asian Nations, which includes Thailand, Indonesia, Malaysia, Singapore, the Philippines and Brunei.

"We want the Southeast Asian region to be free from external interference," he declared.

Yet, a decade after the Communist faction in a Lao coalition government succeeded in ousting its U.S.-supported partners and joining the ranks of Vietnam and Cambodia, Laos is a country dominated by Hanoi and heavily dependent on Soviet bloc aid.

According to Western diplomats and Thai military sources, Vietnam maintains some 50,000 troops in Laos, some of which are used to help fight insurgent groups of hill tribesmen. In addition, said a senior Thai officer, the Soviet Union has about 500 military advisers assigned to the country.

Foreign aid amounts to about \$100 million a year, with Soviet bloc countries supplying about half of it. Even so, Laos remains one of the world's poorest countries, with per capita income estimated at less than \$150 a year.

Since the Communist takeover there has been a "leveling of income — all downward," said a Western diplomat recently assigned in Vientiane. "In the old days there was a middle class," but it has largely disappeared under the Communists, the diplomat said.

Much of the relative prosperity during the Vietnam War era was undoubtedly due to massive U.S. aid as the Central Intelligence Agency organized and funded a secret army, largely made up of Hmong hill tribesmen, to fight the Pathet Lao Communist insurgents and their Vietnamese allies.

The Pathet Lao eventually fought their way to a compromise in which they joined a coalition government in 1973. They soon came to dominate it, and by December 1975 were able to abolish the Lao monarchy and send tens of thousands of suspected opponents to re-education camps.

Since the Communist takeover, resistance has been steadily beaten down and now no longer represents a serious threat to the government,

according to Thai and Western sources. Resistance groups, mainly hill tribesmen, are fragmented, and many opponents of the government have fled the country.

Since 1975, according to refugee officials, about 315,000 people, nearly 10 percent of the population, have fled Laos. About 96,000 refugees from Laos remain in five camps on the Thailand border.

Perhaps a greater threat to the Lao government, than the armed resistance is what Mr. Kaysone has called a continuing struggle between socialism and capitalism. In a January 1985 speech, he said this struggle had "developed to a new phase in a fiercer and uncompromising manner."

Since 1983, more than 100 government officials reportedly have been arrested, according to Amnesty International. Many were charged with corruption, but at least some were believed to have been detained for political reasons.

Despite the country's position as a virtual Vietnamese satellite, relations between Laos and the United States have been improving lately. This has been largely the result of Lao cooperation on resolving the issue of American servicemen still missing from the Vietnam War.

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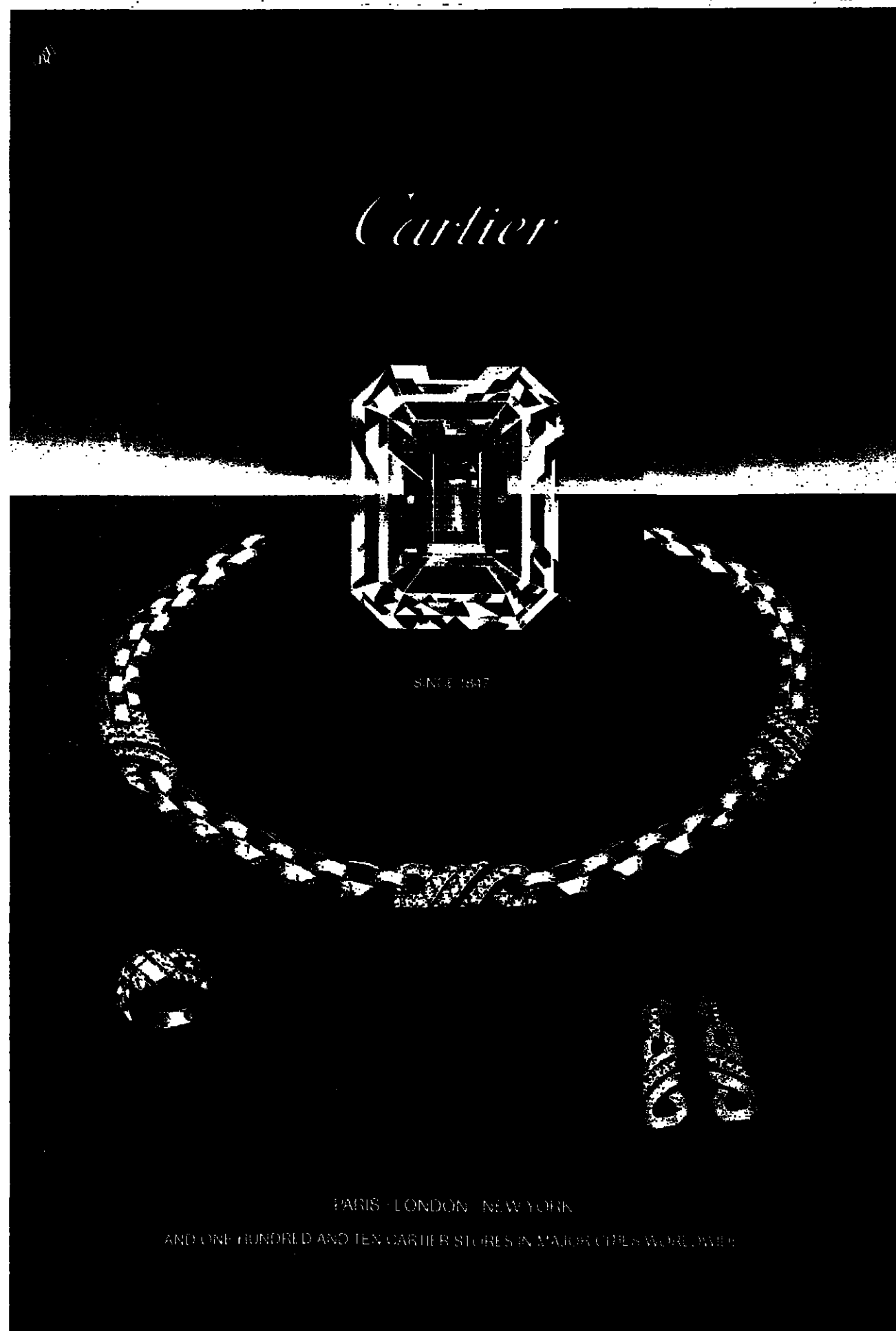
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Synod Hears Defenses Of Liberation Theology

2 Leading Brazilian Bishops Appear To Answer Vatican's Own Criticisms

By E.J. Dionne Jr.
New York Times Service

ROME — Some bishops from Latin America have strongly defended the teachings known as liberation theology during the extraordinary Synod of Bishops meeting here.

Groups of prelates have begun offering the synod divergent proposals for a final document on the future of Catholicism.

The proposals ranged from political statements on peace and Third World debt offered by a group of Canadian bishops to a traditionalist call from a German-speaking study group for support of church authority.

Support for liberation theology was expressed by two leading Brazilian bishops, who appeared to be answering criticisms made not only by their fellow prelates but also by the Vatican itself.

"Against false interpretations, it must be clarified that liberation theology is not a theology of violence or one that pushes toward violence," said Bishop José Ivo Lorscheider of Santa Maria, Brazil, in a written comment.

"It is not a theology that assumes or justifies Marxist ideology," he continued. "Nor does it apply European political ideology to Latin America. Nor does it break with Catholic theological tradition."

Bishop Lorscheider said that liberation theology "presupposes a new consciousness of the context of oppression" and also "a conversion toward the poor and a commitment to their liberation."

"Liberation theology is indispensable to the church's activity and to the social commitment of Christians, even if it carries with it risks," he concluded.

His comments were striking because they appeared to be an almost point-by-point rebuttal of the views of Cardinal Joseph Ratzinger of Germany, the prefect of the Congregation for the Doctrine of the Faith. Cardinal Ratzinger's critique of liberation theology, issued last year, argued that it relied too heavily on Marxist ideas and encouraged class struggle.

The proposals for a final document on Catholicism's future were made amid indications of a struggle among contending forces at the synod over how the bishops would express their conclusions. The synod was called by Pope John Paul II to review the effects of the Second Vatican Council (1962-65).

A debate appeared to be shaping up over whether the bishops should issue only one general statement, or also a second, more specific comment, before concluding their work this weekend.

Synod and Vatican officials said the second, detailed statement is being sought by bishops who want the synod record to reflect the sense of a meeting in which issues have been freely and at times sharply debated.

They want to insure that the meeting's generally positive assessment of Vatican II, the desire of many bishops for greater autonomy from Rome and the sheer diversity of viewpoints that have been expressed is reflected in a final document.

Supporters of a more traditionalist line, according to some officials, may seek to avoid such a detailed comment, possibly by making some concessions to liberals in the general message that will be addressed to "the Catholic people" of the world.

The debate on liberation theology, which emphasizes the church's obligation to support the social and political struggles of the poor, has emerged over the last several days in statements issued by Latin American church leaders.

Although the Reverend Diarmuid Martin, a Vatican spokesman, denied that there had been "a rift, a split" within the synod over liberation theology, it has clearly been a contentious issue.

On Saturday, Bishop Dario Castrillon Hoyos of Colombia attacked liberation theology, suggesting that it envisioned "a church with a machine gun."

Cardinal Aloisio Lorscheider, archbishop of Fortaleza, Brazil, supported it. He offered a vision of a church that would draw its inspiration from the poor and develop an attitude "of listening, of humility."

The various small groups from the synod, essentially subcommittees organized around languages that have met over the last few days, issued their suggestions to the synod as a whole on Tuesday.

They were striking both for their diversity and for the general support they gave to the church's social initiatives toward non-Catholics, the importance of local bishops' conferences and the desirability of seeking to root the church in diverse local cultures.

American Nurse Stages 'Mass' at St. Peter's Altar

The Associated Press

VATICAN CITY — An American Catholic nurse, protesting the church's ban on admitting women to the priesthood, staged a mock Mass on Wednesday in St. Peter's Basilica.

Babi Burke, from Fort Lauderdale, Florida, approached the sanctuary with a lighted lamp, kissed the altar and blessed herself with a sign of the cross. Then, she raised her arms in a priestly gesture of welcome and slowly raised a silver chalice.

As two Vatican guards ran over to stop her, she drank from the chalice and blessed the altar.

Ms. Burke, 44, who has four children, was dragged from the basilica to Vatican security headquarters. Also taken with her was Marie Therese Soumy, a former nun from Brussels.

The two women interrupted a Vatican news conference Saturday, calling on the church to end "all discrimination based on race, social class or sex."

Quebec's New Premier Rose From Political Ashes

By Douglas Martin
New York Times Service

MONTREAL — The career of Robert Bourassa, the newly elected 52-year-old premier of Quebec, has known its peaks and valleys.

In 1970, when he became premier at the age of 36, he was the youngest leader in the province's history. In 1976, he was swept out of office in a landslide for the Parti Québécois, which favored independence for the predominantly French-speaking Canadian province. Mr. Bourassa was also regarded by some as an ineffective leader.

But he scaled perhaps his highest peak on Monday, when his Liberal Party decisively defeated the Parti Québécois after nine years in opposition. The Liberals won 99 seats to 23 for the Parti Québécois, which once advocated Quebec's separation from Canada.

While issues of culture, language and Quebec's identity were high on the Parti Québécois agenda, Mr. Bourassa appears certain to focus on creating jobs and economic development.

Although his party won decisively, Mr. Bourassa lost his own seat. He ran in a district that had been solidly for the Parti Québécois, one of the few that voted in a 1980

referendum in favor of seeking political separation from Canada.

There was concern that his personal defeat might diminish his effectiveness in leading the province. "It's a bad way to start your government, a tough way," said a Liberal legislator who was also elected on Monday.

Liberal Party figures said Mr. Bourassa hoped to be sworn in as premier later this week and would then try to persuade a newly elected Liberal legislator to vacate his seat. Mr. Bourassa will then seek the seat himself in a by-election, the party sources said.

Mr. Bourassa seemed nonetheless to treat his defeat as a logistical problem that could be easily solved. Under Canadian law and precedent, he does not need a legislative seat to become premier. Seemingly, he has never chosen to do things the easy way.

Jean Robert Bourassa was born on July 14, 1933, in Montreal, the only child of Aubert Bourassa, a bookkeeper in the Canadian civil service, and the former Adrienne Courville.

His father died when he was 16, and the family was left with modest means. A scholarship student, Mr. Bourassa graduated in 1953 from Jean-de-Brébeuf College, and in

1956 he was the highest-ranking graduate of the University of Montreal Law School.

He earned a master's degree in economics at Oxford, where he was a Rhodes Scholar, and a master's in international tax and corporate law at Harvard.

In 1966 he was elected to the Quebec legislature, and three years later he won a hotly contested race for the province's Liberal Party leadership. In April 1970, a Liberal victory in provincial elections brought Mr. Bourassa to power as premier.

In his six years as premier, Mr. Bourassa struck many Quebecers as indecisive. He tried to chart a moderate course on the language issue, a position that could never win over the French-speakers and could only alienate some of his party's strongest supporters, the English-speakers.

Gibraltar Talks to Resume

Reuters

MADRID — The foreign ministers of Britain and Spain resume talks here Thursday on cooperation and sovereignty over Gibraltar but there are few prospects for any concrete agreement, according to diplomatic sources.

Allegations of corruption involving party members close to Mr. Bourassa, although never extended to the leader, created an impression that he was not in control.

Pierre Elliott Trudeau, then prime minister and a fellow Liberal, once dismissed Mr. Bourassa as "a hot-dog eater," apparently a reference to his working-class origins. Others said they found him cold and arrogant.

After the 1976 defeat, "he had the decency and intelligence to disappear," L. Ian MacDonald, his biographer, wrote. Mr. Bourassa traveled, wrote and lectured.

He re-entered public life in 1980, when a referendum was held on whether Quebec should seek sovereignty-association, which was intended to be essentially political independence from Canada but a continued economic union.

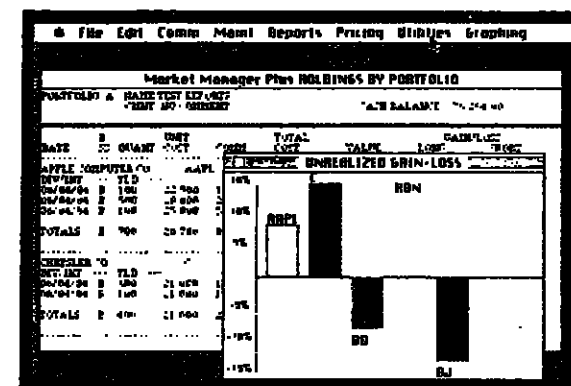
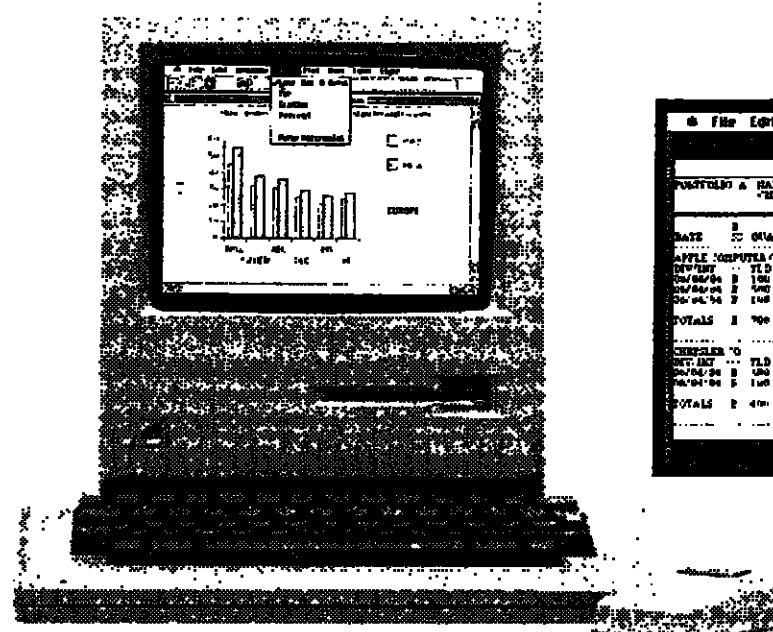
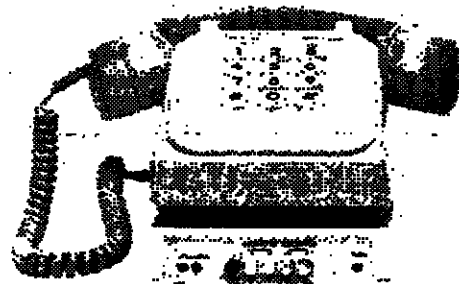
He campaigned strongly and successfully against the proposal, but he still found himself not quite welcome in politics.

The Liberal Party's defeat in 1981 left a void that only Mr. Bourassa seemed able to fill. "In the beginning he made himself welcome again," Mr. MacDonald wrote. "In the end, he made himself inevitable."



Robert Bourassa

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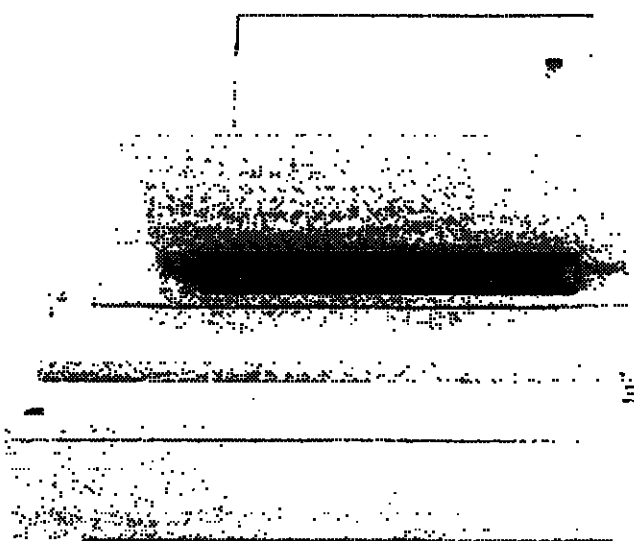
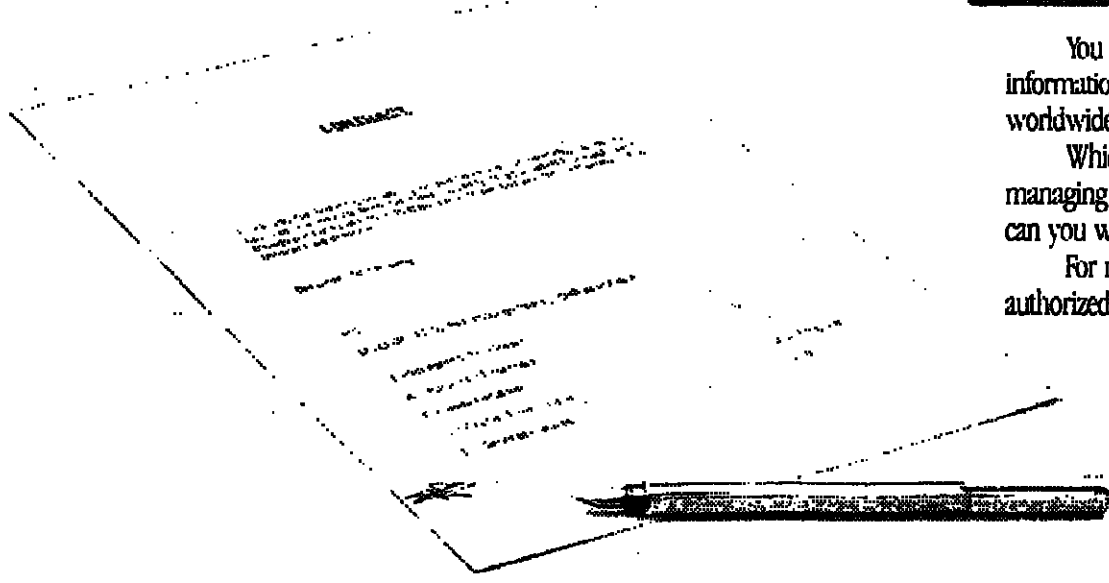


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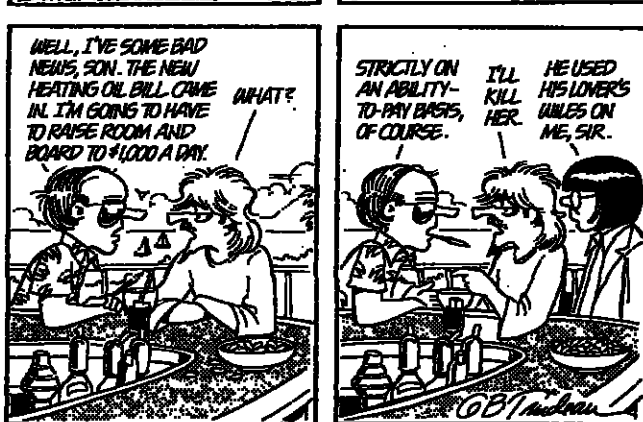
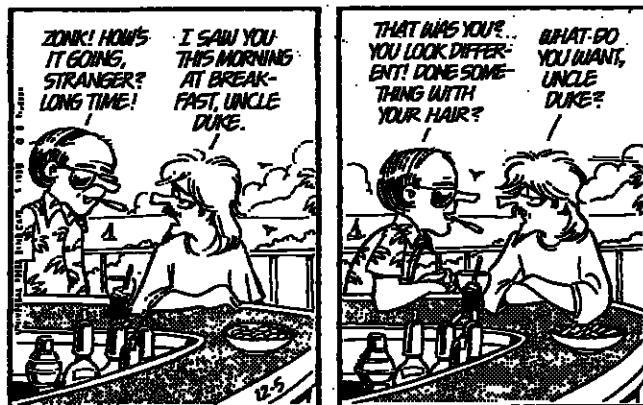
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DOONESBURY



SCIENCE

World's Biggest Telescope: An Array 5,000 Miles Wide

By William J. Broad
New York Times Service

ON a plateau in New Mexico's mountain country, astronomers have begun to build the world's biggest radiotelescope. Their goal is to construct an array of dish-shaped antennas stretching 5,000 miles (8,100 kilometers) across the United States and its territories.

With this system, whose power of resolution would be 1,000 times as great as that of any existing optical or radio telescope, astronomers hope to solve some of the universe's most baffling mysteries. For instance, why do some galaxies shoot out enormous jets of energy at nearly the speed of light? Speculation is that such galaxies may be torn at their cores by black holes.

"Clearly there's something incredibly violent going on," said Dr. Peter Napier, an official of the National Radio Astronomy Observatory, who is helping oversee the design and construction of the vast network. "The greatest payoff will be understanding what's happening at the center of these active radio galaxies."

The system of 10 radiotelescopes is scheduled to be completed in the early 1990s at a cost of \$68 million. The dishes will be orchestrated from the New Mexican plateau. All the sites are remote, in order to cut down on interference from television and radio stations, automobiles and other sources of electromagnetic pollution.

Scientists at the National Radio Astronomy Observatory say the network will be unparalleled in exploring the universe of the invisible, which often holds the most fascinating secrets of all. They say the star-filled sky, which often appears to be unchanging, conveys a false impression.

The true violence of the universe was revealed only after astronomers developed sensors capable of detecting celestial emanations far beyond the range of human vision,

including gamma rays, X-rays and radio waves.

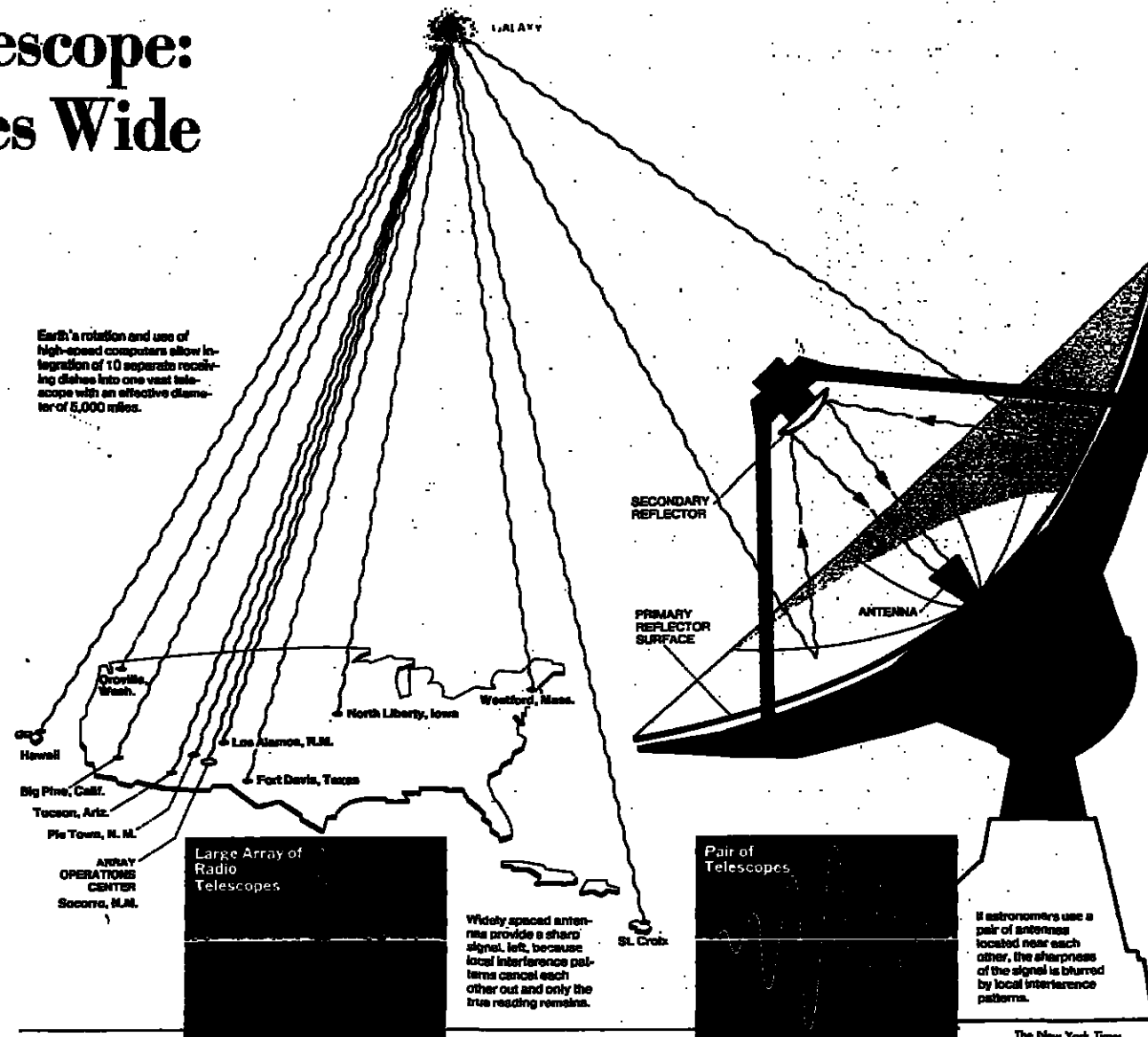
For example, radio astronomers discovered in the late 1960s that the universe was populated with pulsars — stars that often look ordinary in optical telescopes but that fire bursts of radio waves with extraordinary rapidity and precision. "The universe is popping all over the place," said Dr. Riccardo Giacconi, head of the Space Science Telescope Institute at Johns Hopkins University. "Violent processes are now seen to be the norm rather than the exception."

Today's huge radiotelescopes can easily probe the hidden violence of the Milky Way, the Sun's galaxy of about 400 billion stars. But tracing enigmatic bursts from distant galaxies requires radiotelescopes that are even bigger.

"The real beauty of this project is that it will enable us to watch things happen over time," said Dr. Robert L. Brown, associate director of the National Radio Astronomy Observatory. "If matter is flowing out of these galaxies at the speed of light, and your resolution is a thousand light years, nothing happens in your lifetime. But if the resolution is one light year, you can watch things happen. This will greatly extend our dynamic reach."

The network under construction is known as the Very Long Baseline Array, or VLBA. It will resemble the existing Very Large Array, or VLA, whose 27 antennas are spread across a small patch of New Mexican desert. Each of the VLA's dishes measures 82 feet (25 meters) in diameter and weighs 235 tons. Their output, when combined by a supercomputer, creates a radiotelescope with an effective diameter of 21 miles.

The VLBA will use a similar technique, but its 82-foot dishes will be spread out across the hemisphere, creating a radiotelescope with an effective diameter of 5,000 miles. Antennas are to be in New Mexico (with two sites), Hawaii,



California, Washington, Arizona, Texas, Iowa, Massachusetts and the Virgin Islands.

"We're basically doing what a big, single dish would do if we could make it as large as we liked," said Dr. Napier. Construction has begun on some of the system's electrical components, he said. Groundbreaking for the first antenna site is scheduled for this month or early next year. Radiotelescopes such as the

VLBA are so much bigger than optical ones because of large differences in the size of electromagnetic waves. Light waves are very compact, only a few hundred-thousandths of an inch long. The lenses and mirrors of optical telescopes are huge in comparison with these waves. Thus, even a six-inch reflecting telescope is big enough to "resolve" the reflected light of distant planets. But radio waves are thousands of

times larger than waves of visible light. In order to "resolve" these wavelengths, or to be able to distinguish one from another, the collecting apparatus has to be similarly large. The world's largest is the 1,000-foot behemoth in Arecibo, Puerto Rico, which was made by shaping a wire mesh over a natural bowl in the mountains. The Arecibo device pushes the physical limit of single dishes, however, and further gains in the resolution of ra-

diotelescopes had to await the linkage of relatively small dishes into networks. One of the first was the VLA, completed in 1980.

Later, a committee of the National Academy of Sciences decided an even bigger array was "critically important for the rapid and effective progress of astronomical research." Originally it was estimated that the VLBA, which is being financed by the National Science Foundation, could be built in two years. But the U.S. budget deficit has resulted in the financing being stretched out over half a decade or longer. In fiscal 1984 about \$2 million was received for design work, and in 1985 about \$9 million was provided for the start of construction.

Dr. Napier said the new technologies that made the VLBA possible were mostly based on microelectronics — atomic clocks, microprocessors and tape recorders that can quickly store vast amounts of data. The separate radiotelescopes will put their findings on tapes that are later analyzed on a custom-built supercomputer that can perform one trillion multiplications per second. Most supercomputers can do only hundreds of millions of such operations per second, although they usually have greater flexibility than their special-purpose cousins.

Radio astronomers said the quest for higher resolution would not end after the VLBA was finished in the 1990s. "There's a plan to have an orbiting link," said Dr. Napier. "It's being investigated by both NASA and the Russians." The idea is to extend giant networks into space, having satellites carry antennas to creating a radiotelescope that would in effect measure tens of thousands of miles across and be even more powerful.

IN BRIEF

Calcium May Prevent Colon Cancer

BOSTON (AP) — Eating more calcium might help prevent colon cancer by neutralizing the hazards of a high-fat diet, a study published in the New England Journal of Medicine suggests. The researchers said their work was the first to show that calcium could reverse changes in the lining of the colon that often foreshadow cancer.

Dr. Martin Lipkin, who directed the study with Harold Newmark at Memorial Sloan-Kettering Cancer Center in New York, cautioned that the findings were preliminary, and that no broad changes in diet could be recommended. But Dr. David Kritchevsky of the Wistar Institute in Philadelphia said: "This is a hopeful finding. It is confirmatory of a lot of early data."

Dr. Cedric Garland of the University of California, San Diego, who in analyzing a large population survey recently found that people who drank a lot of milk appeared to have less colon cancer, said of the new research: "I think this shows that we're right on the frontier of a very major find."

Wire Mesh Urged for Earth Houses

SAN FRANCISCO (Reuters) — Reinforcing earth houses in the Third World with wire mesh could prevent millions of deaths in earthquakes, scientists said after shaking a one-room adobe house on an earthquake simulator at the University of California, Berkeley.

In a test financed by a \$127,000 grant from the National Science Foundation, the model was subjected to three simulated quakes, up to a magnitude similar to the ones that struck San Francisco in 1906 and Mexico City in September. The walls cracked and some bricks crumbled but the roof remained intact.

"It's a real success," said Charles Scawthorne of the San Francisco civil engineering firm Dames & Moore. The scientists said that at least 80 percent of homes in the world are built of sun-dried clay and that these account for the largest number of deaths in major earthquakes.

Mr. Scawthorne noted, however, that wire-mesh reinforcement would cost about \$100 a house — the equivalent of a year's income for many families in poorer nations.

Atlanta Center Replacing Virus Lab

ATLANTA (AP) — The national Centers for Disease Control has begun work on a \$20-million laboratory for research on viruses, to replace the building that has been the site of much of the center's trickiest research since 1960.

Dr. Walter Dowdle, director of the Center for Infectious Diseases, said the old building — which will be used for other research when the new lab is finished in about February 1987 — was inadequate for virology work because of the growth of medical technology.

"Probably the greatest increase in knowledge in biology has come in virology," he said. "One of the things that was not planned for was the enormous explosion we've had in terms of sophisticated equipment. We're not doing bench-type microbiology anymore; it's sophisticated microchemistry."

13-Century Ruins Discovered in Iran

BEIRUT (UPI) — Archaeologists have discovered the remains of seven cities devastated during the 13th-century Mongol invasion of Persia, as well as remains dating back nearly 5,000 years, Iran's news agency reports.

The Islamic Republic News Agency quoted the Tehran daily Kayhan as saying that the cities, which were thriving in the 13th century, were discovered at Torbat-e Jam, about 100 kilometers (60 miles) southeast of Meshed near the border with Afghanistan.

"Also remains of a civilization in the fourth millennium B.C. in Cheshmeh-tout hill, northeast of Torbat-e Jam, have been discovered," the agency said. It said the archaeologists, whom it did not identify, found more than 40 historical sites in the area last year.

Drug Approved for Wilson's Disease

WASHINGTON (UPI) — The government has approved a drug to treat Wilson's disease, a rare, inherited disorder that is fatal if untreated. Trientine hydrochloride is designed for the small number of Wilson's disease victims — 100 or so in the United States — who cannot tolerate or do not respond to penicillamine, the only other drug on the market for the disorder.

Margaret Heckler, secretary of health and human services, said the new drug, commercially known as Cuprid, was the 21st drug approved under the 1983 Orphan Drug Act, which offers tax breaks and research money to develop drugs that are unprofitable, help only small numbers of people or cannot be patented.

Wilson's Disease is characterized by an inability to excrete excess copper, which forms poisonous deposits in the kidneys, liver, eyes and brain. Treatment consists of agents that bind to copper so it can be excreted. It is estimated that there are 8,000 victims in the United States, but only 1,000 have been diagnosed.

Cannibalism Seen in Stone Age Ritual

BERLIN (Reuters) — Damaged human remains discovered in Europe show that Stone Age people probably indulged in cannibalism as a part of death rituals, according to an East German anthropologist.

Herbert Ullrich told the news agency ADN that scratch marks and chips on long limb bones and skulls found in East Germany, Czechoslovakia and areas of southern Europe were typical signs of cannibalism. He said his research suggested that Stone Age people selected long bones and skulls from corpses to deposit in burial grounds and did not bury the entire body.

The Evaporating Science of Chemistry

By Malcolm W. Browne
New York Times Service

IS the science of chemistry fading away? John Maddox, editor of the scientific journal Nature, wrote recently: "Chemists have done wonders in losing their identity in the rest of science." Some might argue the point, but it is a fact that the Nobel committee awarded its 1985 chemistry prize to a pair of mathematicians.

Meanwhile, the practice of what still passes for chemistry seems to have been largely pre-empted by physicists, quantum theorists, computer mavens, statisticians, instrument designers, laser experts, genetic engineers, medical researchers, psychiatrists, astronomers, materials specialists and a host of other species.

Chemists must still be up to something, of course. The Guinness Book of Records lists the 1983 Tenth Collective Index of Chemical Abstracts (a compendium of brief summaries of the papers published by chemists) as the largest index ever published, comprising 75 volumes and weighing 380 pounds, it contains nearly 24 million entries.

But today's chemical discoveries are being rooted out in nontraditional ways. Analysis and synthesis, the yin and yang of chemistry, are increasingly based on physics and mathematics, with help from a welter of computer-controlled instruments.

Physics and mathematics are becoming the main

props of analysis and synthesis, enabling chemists to understand the complex nature and effects of catalysts and to predict the rates and results of chemical reactions. Thanks in part to quantum mechanics, designers of specialized chemicals can substitute mathematical calculations for hit-or-miss experiments.

As extensions of chemistry, the "life sciences" — biology, genetics, medical research and so forth — are also becoming increasingly dependent upon physics. As the Nobel laureate Richard P. Feynman put it, "There is nothing that living things do that cannot be understood from the point of view that they are made of atoms acting according to the laws of physics."

But physics and mathematics are the hardest of "hard" sciences, virtually impenetrable to some otherwise intelligent children. Will there be enough bright kids to replenish science's ranks with the required breed of chemist-turned-physicist? Elementary chemistry students still titrate acids and bases and learn to calculate molecular proportions from Avogadro's Law. Those things remain essential. But to climb to the cutting edge of research, the student must come to grips with such daunting mathematics as graph theory and statistical analysis.

By whatever name it may be called, the practice of chemistry promises payoffs that were undreamed of a few years back. But big payoffs require big investments — especially investments by students in the study of math, math and more math.

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THURSDAY, DECEMBER 5, 1985

WALL STREET WATCH

All the News Is Good News When Market Is Climbing

By EDWARD ROHRBACH
International Herald Tribune

PARIS — Confused about the stock market? Maybe you've been looking at it the wrong way. G. Stanley Berge, market analyst for Tucker Anthony, recommends that investors "stand on their heads" to get the right perspective on Wall Street. "Because all too often," he explained, "current investment sentiment simply correlates with the trend of the stock market."

When stocks are climbing sharply, as they have been for six weeks, he notes that investors' enthusiasm rises with the Dow average, becoming more bullish as expectations feed on themselves that still higher prices lie ahead.

But what is the most bullish position the stock market can be in? "Obviously," at the top, just before a severe decline — and this is at odds with investment sentiment which is then extremely bullish."

Conversely, he pointed out, the attraction of stocks dims as prices become cheaper, with investors typically turning most bullish right at the bottom, when the market itself, in terms of potential, is in its most bullish mode.

Not surprisingly, his view now on Wall Street, with stocks marching into new high territory, is that a major retreat of 10 percent to 20 percent can be expected after a "final market top" later this year or early next.

Selling, not buying, is recommended now and in early 1986," he says. "But, he also observes that "stock-price trends make the news." That is, he explains, "since there is always enough good news or bad news to justify any movement in stock prices up or down, it merely requires putting the emphasis on the news that applies."

This helps explain, he continued, "Why news is good at the top, bad at the bottom."

Most of the news cited daily as reasons for Wall Street's ascent to all-time highs can be turned upside down — and would be, he maintains — if stock prices suddenly went into a sharp decline.

THE DOLLAR is an example, he said. "Now its weakness is touted as a boon to U.S. manufacturers, ensuring higher corporate profits as foreign competition is beaten back. But if Wall Street goes into a tailspin, the focus will abruptly change to the fear of rekindled inflation, and interest rates pushed higher to defend the dollar."

Value Line, the investment advisory service, expounds on this same theme in its current market letter. As stocks have risen to record levels lately, observed Value Line's Radey Johnson, it had "less to do with more bullish economic prospects than with the market's tendency to treat all news as good news when a strong advance is underway."

Eric Miller, chief investment officer at Donaldson Lufkin & Jenrette, noted that Wall Street's strong advance has brought into "sharper focus" the good news about the economy, notably progress on federal deficit reduction, tax reform possibilities, and a lower dollar and interest rates.

"Now the market's getting the reasons why it's gone up," he said. He further observed that Wall Street's reputation is "on the line" as a so-called leading indicator of the U.S. economy.

"If the economy should all of a sudden go into a sharp decline on the heels of this surge in stock prices, people will be scratching their heads, questioning the market's ability to forecast business

(Continued on Page 15, Col. 5)

Currency Rates

Cross Rates	Dec. 4
American dollar	2.24
British pound	1.68
French franc	6.55
German mark	3.36
Italian lira	2036
Japanese yen	163
Netherlands guilder	3.60
Spanish peseta	166.64
Swiss franc	2.03
U.S. dollar	1.00
West German mark	3.36
Yen	163

Source: Reuters, London. All rates are for 1 unit of foreign currency against 1 U.S. dollar.

Other Dollar Values

Currency	Rate
Australian dollar	1.48
Belgian franc	36.36
Canadian dollar	1.32
Danish krone	6.46
Deutsche mark	3.36
Dracma	200
Escudo	200
Florin	2.36
French franc	6.55
Italian lira	2036
Japanese yen	163
Netherlands guilder	3.60
Spanish peseta	166.64
Swiss franc	2.03
U.S. dollar	1.00
West German mark	3.36
Yen	163

Source: Reuters, London. All rates are for 1 unit of foreign currency against 1 U.S. dollar.

Key Money Rates

Money Rate	Rate
3-month Treasury bill	7.25
6-month Treasury bill	7.25
9-month Treasury bill	7.25
1-year Treasury bill	7.25
3-month commercial paper	7.25
6-month commercial paper	7.25
9-month commercial paper	7.25
1-year commercial paper	7.25

Source: Reuters, London. All rates are for 1 unit of foreign currency against 1 U.S. dollar.

U.S. Money Market Funds

Money Fund	Rate
First Investors Fund	1.12
Fidelity Puritan Fund	1.12
Putnam Fund for Growth	1.12
Wellington Fund	1.12

Source: Reuters, London. All rates are for 1 unit of foreign currency against 1 U.S. dollar.

Gold

Gold	Rate
Gold price	320
Gold lease	320
Gold loan	320
Gold sale	320

Source: Reuters, London. All rates are for 1 unit of foreign currency against 1 U.S. dollar.

Market Closed

The Stock Exchange of Singapore remained closed Wednesday because of the securities crisis there.

German Jobless Rate Up

Monthly Record Set in November

Reuters

BONN — Unemployment in West Germany hit a peak for any November on record last month as the early onset of winter prevented much outdoor work, the government reported Wednesday.

The jobless total in November, unadjusted for seasonal factors, rose to a record 2.21 million, or 8.9 percent of the work force, from 2.15 million, or 8.6 percent in October, official figures showed. Seasonally adjusted unemployment was unchanged at 2.29 million.

In November 1984, the unadjusted jobless total was 2.19 million, or 8.8 percent of the work force, while seasonally adjusted unemployment was 2.26 million.

The president of the Federal Labor Office, Heinrich Franke, blamed the November rise on seasonal factors and said cold weather and snow had masked signs of improvement caused by the general upswing in the economy.

"The early onset of winter last month was clearly felt on the labor market," he told a news conference. "The early onset of winter last month was clearly felt on the labor market," he told a news conference.

Workers in such outdoor industries as construction were more likely to have lost their jobs than in other sectors, he said.

Mr. Franke said the number of workers on short time rose by 32,768 in November from October, to 159,527, while job vacancies fell 1,873, to 110,172.

Separately, the Hamburg-based HWWA economic research institute said Wednesday that West German unemployment is expected to fall to an average 2.15 million in 1986 from 2.30 million this year as the number of people in work increases by around 250,000.

The projected drop of 150,000 in the number of unemployed compares with an 80,000 fall expected by the government's Council of Economic Advisors. The council said in a recent report that it expects employment to rise by 300,000 next year.

Factory Orders Slump in U.S.

The Associated Press

WASHINGTON — Factory orders fell 1.1 percent in October, the third decline in the last four months and the biggest drop since July, the government reported Wednesday.

The Commerce Department said that orders declined to \$195.1 billion, a \$2.2-billion drop from September. Orders had fallen 0.7 percent in September and 1.2 percent in July.

The October setback was concentrated in the defense category, which plummeted 26.3 percent in October following a 21.1-percent decline in September. Without the big drop in defense, orders would have been unchanged in October, the department said. Orders for nondefense capital goods fell 7.1 percent, causing a 6.1-percent increase in September.

This category is closely watched for signals it gives of industry plans to expand and modernize production facilities.

Bhopal Tragedy Haunts Carbide

Year Later, Low Morale, Lawsuits Still Threaten

By Thomas J. Luck
New York Times Service

DANBURY, Connecticut — As Union Carbide Corp. passes the first anniversary of the accident at its pesticide plant in Bhopal, India, the company is shaken by giant lawsuits, the threat of a takeover and low employee morale.

No American company has had to deal with greater tragedy than Bhopal, where more than 2,000 people were killed Dec. 3, 1984, in history's worst industrial accident. Now, few companies face a more troubled future.

Billions of dollars in Bhopal-related claims remain unresolved. Other suits are pending over the toxic leak last August at the company's plant in Institute, West Virginia. Samuel J. Heyman's GAF Corp. has acquired 10 percent of Carbide's stock and is seeking permission from the U.S. Securities and Exchange Commission to buy more. And a broad restructuring under way since August, which is aimed at reducing layers of middle management, has shaken Carbide's work force, according to employees.

In an interview, the chairman, Warren M. Anderson, conceded that broad uncertainties cloud the company's future.

But he held that Bhopal had on Carbide immediately after the disaster has eased and the company is going about its business with renewed vigor, Mr. Anderson said.

"Those first two months were tough," the chairman said. "But my health is good. My blood pressure improved."

"I used to spend 100 percent of my time on Bhopal," added Mr. Anderson, who turned 64 last Friday. "Now it's maybe 10 percent."

Because of expenses associated with the restructuring program, Carbide reported a loss of \$371 million for the first nine months of the year, compared with earnings of \$310 million a year earlier.

But Mr. Anderson's mood is upbeat and the financial benefits of restructuring will start to become clear early next year, he said. "People will have to wait until the first quarter," he added. "Then they are in for a surprise."

Still, no one at Carbide's headquarters contends that devoting fewer manhours to analyzing the Bhopal accident, its causes and its consequences has made it any less of a problem. The company's attempts to reach an out-of-court settlement and avert years of litigation have so far failed.

The Indian government has been antagonistic from the word go," Mr. Anderson said. "Our position hasn't changed; we want to get relief that interests us greatly," Mr. Brim said.

Salomon Brothers earlier this year established a full-underwriting subsidiary bank in Zurich, but Mr. Brim said the bank had made no firm decision to do so in Frankfurt. He declined to say whether Salomon Brothers, one of the strongest international securities-trading houses, would seek a seat on the Frankfurt Stock Exchange.

Morgan Stanley & Co., another major U.S. investment bank, said it was also leaning toward establishing a presence in Frankfurt, although no formal decision had been made.

Archibald Cox Jr., managing director of corporate finance at Morgan Stanley International Ltd. in London, said: "We've been looking at Frankfurt for some time, particularly since liberalization moves were taken; we think it's important to be in London, New York and Tokyo, as well as in secondary markets like Germany and Zurich."

Mr. Cox stressed his bank's "very large presence" in the secondary market for DM-denominated Eurobonds and domestic DM bonds and hinted that Morgan Stanley was considering obtaining a seat on the Frankfurt Stock Exchange, after the bank's purchase of a seat on the Tokyo Stock Exchange earlier this year.

Although the lawsuits against Carbide deal with safety procedures instead of takeover maneuvering, (Continued on Page 11, Col. 1)

GEC Overture Is Rejected by Plessey Board

By Bob Hagerty
International Herald Tribune

LONDON — The board of Plessey Co. rejected on Wednesday an informal offer by General Electric Co. of Britain to buy the smaller electronics company for £1.18 billion (\$1.75 billion), or 160 pence a share.

As an alternative to the proposal, announced Tuesday, Plessey said it might make an offer for GEC's interests in making switching equipment, used by telephone companies to route telephone calls. GEC, which is not related to the U.S. company of the same name, replied late Wednesday that it was considering Plessey's statement.

Many observers — including Lord Lucas of Chilworth, Britain's undersecretary for trade — have suggested combining the two companies' public switching business to eliminate costly duplication and increase chances for foreign orders.

Both companies make the same System X digital switch being supplied to British Telecommunications PLC, which has a near monopoly on British telephone service.

Plessey said its interest in bidding for the GEC operation hinged on discussions with BT, so far the only major customer for System X, which has suffered from long delays caused by technical hitches. Some BT officials privately have welcomed the idea of combining the GEC and Plessey switching operations.

Plessey's chairman and chief executive, Sir John Clark, said in a prepared statement that GEC's takeover offer was not attractive for Plessey shareholders and lacked commercial logic. Sir John, whose father and grandfather built up Plessey, also said the company's

board believed Plessey should remain independent. A former senior Plessey executive, who did not wish to be identified, said that Sir John and his brother Michael, who is deputy chairman, would consider it a disgrace to surrender the company to GEC. Lord Weinstock, GEC's managing director, declined to comment Tuesday on whether he would make a hostile takeover offer for Plessey if the company's directors resisted the idea.

Before Plessey's statement, its shares had closed on the London Stock Exchange Wednesday at 174 pence, down 2 pence from Tuesday but still well above GEC's offer of 160 pence, reflecting hopes of a higher bid from GEC or another party.

Some investment analysts were lukewarm or even hostile to GEC's approach. A combined GEC and Plessey could cut costs in areas where the two overlap, such as in telephone switching, radar and military communications, analysts said. In addition, GEC would gain access to Plessey's technology in producing sonar devices and customized semiconductor devices.

But, said David Gibbons, an analyst at James Capel & Co., the combination would not solve a fundamental problem faced by the two companies: overdependence on sales to British Telecom and Britain's defense ministry. Both of those big buyers have been squeezing their suppliers for lower costs.

The former Plessey executive agreed. He argued that GEC should instead seek to diversify into areas of higher growth and away from dependence on Britain. "Plessey gives GEC more of what it's already got," he said, "and what (Continued on Page 15, Col. 1)

U.S. Investment Firms Eye Frankfurt Supervisory Committee Set Up To Run Singapore Exchange

By Warren Getler
International Herald Tribune

FRANKFURT — U.S. investment banks, encouraged by recent moves to liberalize West Germany's capital markets, are considering establishing a presence here next year.

Salomon Brothers Inc. has recently leased space in Frankfurt for an initial corporate finance representative office and has a strong interest in expanding into a large operation, possibly a full-underwriting subsidiary, according to John Brim, managing director of corporate finance at Salomon Brothers International Ltd., the London branch of the firm.

"We're currently selecting staff for an office in Frankfurt that will address the investment-banking needs of German clients," Mr. Brim said. "This corporate-finance presence can be expanded — easily."

Mr. Brim described as "remarkable" the West German central bank reforms last spring that allow foreign lead management of Deutsche mark-denominated Eurobonds and the use of floating-rate notes, zero-coupon bonds and currency-swap arrangements.

"We're studying very closely progress made in capital-market liberalization. Obviously establishing a larger presence is a possibility

Supervisory Committee Set Up To Run Singapore Exchange

The Associated Press

SINGAPORE — The Monetary Authority of Singapore announced Wednesday the formation of a supervisory committee to run the Stock Exchange of Singapore, where trading is to resume Thursday after a three-day suspension.

The Singapore exchange, third-busiest stock market in Asia after Tokyo and Hong Kong, and the Kuala Lumpur exchange, were closed Monday following the collapse of an industrial conglomerate, Pan-Electric Industries Ltd., which is Singapore and Malaysian-owned.

In neighboring Malaysia, Finance Minister Daim Zaiduddin told Parliament Wednesday that trading on the Kuala Lumpur Stock Exchange also would resume Thursday, and also announced tighter controls.

All 13 local banks in Singapore have reaffirmed to the supervisory committee that their credit facilities committed to stock exchange members will continue to be made available, the monetary authority said.

"Several member firms of the SES have pledged to increase their capital by injecting fresh funds amounting to an aggregate of not

6 Firms Buy Into European Microchip Venture

By Axel Krause
International Herald Tribune

PARIS — Six West European industrial companies have agreed to take a 39-percent interest totaling \$25 million in European Silicon Structures, a company established three months ago to supply Western Europe's growing market for custom-designed microchips.

Jean Luc Grand-Clement, managing director and one of the founders of the company, said Wednesday, "This corporate backing is a major step forward in what we think is a brand-new approach to cooperating among European companies in the field of high technology."

The company, known as ES2, drew praise from the European Community Executive Commission and industry analysts.

"There should be more of these kind of ventures, because ES2 was started and is functioning with no direct government or Common Market financing — and therefore it is a very welcome development," said an industry planning official of the commission in Brussels.

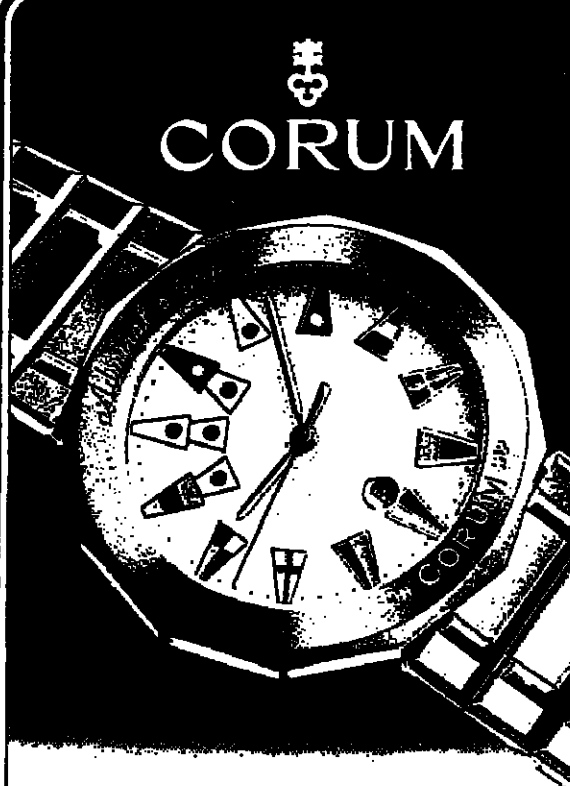
Adrian Tarr of Dataquest Inc., a London-based consulting firm, said, "If they can execute their program, it will be a breakthrough, because no one really addresses the market they are after today."

Mr. Grand-Clement said the industrial companies, acting as investors as well as customers for ES2's products, will include: Philips NV of the Netherlands; Olivetti SPA of Italy; Saab-Scania AB of Sweden; and Brown, Boveri & Cie. of Switzerland. The names of two other companies were not disclosed, but sources familiar with the negotiations said one of them is British Aerospace PLC.

Talks were continuing with industrial companies in Spain and Norway, the sources said. One of the main goals is to have companies from France, West Germany and Britain, said Jean-Pierre Demange, ES2's director for southern Europe.

Several large companies, including the government-owned Thomson SA of France, have declined to invest, but were expected to be customers for the microchips, the sources said.

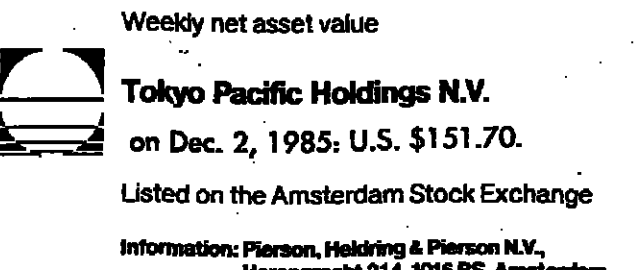
Within the next several weeks, the company plans to have lined up



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Tokyo Pacific Holdings N.V.

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on Dec. 2, 1985: U.S. \$151.70.

Listed on the Amsterdam Stock Exchange

Information: Pierson, Halding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.



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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
IBM	164.75	164.50	164.75	+0.25
AT&T	151.25	151.00	151.25	+0.25
GE	117.75	117.50	117.75	+0.25
AMR	117.75	117.50	117.75	+0.25
Boeing	117.75	117.50	117.75	+0.25
Merck	117.75	117.50	117.75	+0.25
Johnson & Johnson	117.75	117.50	117.75	+0.25
McDonald's	117.75	117.50	117.75	+0.25
Wendy's	117.75	117.50	117.75	+0.25
Domino's	117.75	117.50	117.75	+0.25

Dow Jones Bond Averages				
Bonds	Prev.	Close	Yield	Chg.
Govt	101.25	101.25	7.875	0.00
Corp	101.25	101.25	8.125	0.00
Muni	101.25	101.25	8.125	0.00
Intl	101.25	101.25	8.125	0.00

Dow Jones Averages				
Open	High	Low	Last	Chg.
Indus	1443.75	1443.75	1443.75	+25.34
Trans	1443.75	1443.75	1443.75	+18.21
Comp	1443.75	1443.75	1443.75	+11.21
Unemp	1443.75	1443.75	1443.75	+11.21
Finance	1443.75	1443.75	1443.75	+11.21

NYSE Diaries				
Advanced	Declined	Unchanged	Total Issues	New Issues
1299	987	1299	2386	11
1299	987	1299	2386	11
1299	987	1299	2386	11

NYSE Index				
High	Prev. Low	Close	Today's P.M.	Chg.
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15

Odd-Lot Trading in N.Y.				
Buy	Sell	Net	Unsettled	Settled
141,625	141,625	0	141,625	141,625
141,625	141,625	0	141,625	141,625
141,625	141,625	0	141,625	141,625

Wednesday's NYSE Closing

Vol. of 3 P.M. 115,170,000
Prev. 3 P.M. vol. 115,170,000
Prev. consolidated close 115,170,000

Tables include the nationwide prices us to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries				
Advanced	Declined	Unchanged	Total Issues	New Issues
1299	987	1299	2386	11
1299	987	1299	2386	11
1299	987	1299	2386	11

Standard & Poor's Index				
High	Prev. Low	Close	Today's P.M.	Chg.
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15

NASDAQ Index				
Week	Year	Month	Day	Chg.
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15

AMEX Sales				
3 P.M. volume	Prev. 3 P.M. volume	Prev. consolidated close	Total Issues	New Issues
1299	987	1299	2386	11
1299	987	1299	2386	11
1299	987	1299	2386	11

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
IBM	164.75	164.50	164.75	+0.25
AT&T	151.25	151.00	151.25	+0.25
GE	117.75	117.50	117.75	+0.25
AMR	117.75	117.50	117.75	+0.25
Boeing	117.75	117.50	117.75	+0.25

AMEX Stock Index				
High	Prev. Low	Close	Today's P.M.	Chg.
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15
115.15	115.15	115.15	115.15	+0.15

NYSE Prices Up; Volume Heavy

United Press International
NEW YORK — Prices on the New York Stock Exchange made a broad, sharp move up late Wednesday in very active trading.

The Dow Jones industrial average was up 14.79 to 1,473.85 an hour before the close, just below its closing high of 1,475.69, set Nov. 27.

Advances led declines by a 3-1 ratio. Volume

amounted to 115.17 million shares, up from 88.6 million in the like period Tuesday.

"The market is getting its second wind," said Trade Latimer of Evans & Co. She said one healthy development for the market has been the widening of interest into secondary stocks and into certain blue-chip issues that had not yet shown signs of life.

The entire move up for the stock market has occurred against the backdrop of expectations for lower interest rates, she said, and the Dow's decline early in the week occurred because money managers have been edgy about a correction, not because of fear that interest rates would rise.

"The possibility of a correction is in the back of everyone's mind as the market goes higher," she said. "No one seriously thinks interest rates will move up in the near future."

"The market is consolidating its recent gains," said Kevin Keeney of Southwest Securities. He said the market could go back and forth for a couple of weeks but that a rally at the end

of the year or at the beginning of 1986 could easily push the Dow up to 1,500 or 1,520.

Mr. Keeney believes the Federal Reserve will let interest rates stabilize or drop.

Harry Vilcof of Sutor & Co. in San Francisco forecast the Dow at 1,500 by the year's end and said it would climb 100 more points by early March.

The government that reported U.S. factory orders fell 1.1 percent in October.

Tenacore was near the top of the active list and up slightly.

Baxter Travenol was higher in active trading. Viacom was gaining. It rose 5 Tuesday amid takeover speculation. Gould also moved higher on takeover talk.

Tandy Corp. was up. The company said its November sales rose 25 percent.

Airline issues climbed. UAL Inc., AMR Corp., Delta and NWA were all up.

Pharmaceutical companies also attracted buying. Merck, Syntex, Pfizer and Bristol-Myers were all gaining.

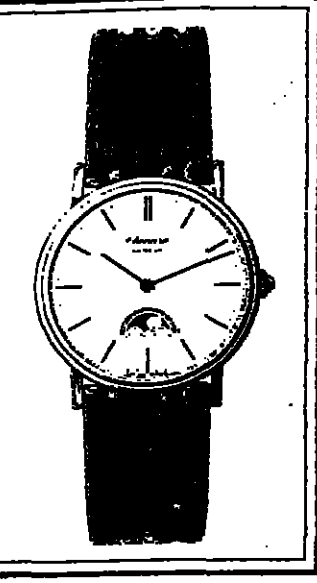
General Motors, Ford and Chrysler were all gaining. General Motors said it was offering 8.5-percent financing on some subcompact cars.

Among high technology and semiconductor issues, IBM and Digital Equipment were advancing strongly. Texas Instruments, National Semiconductor and Advanced Micro Devices were also moving up sharply.

In blue chips, gainers included General Electric, AT&T and Minnesota Mining & Manufacturing.

Some other gainers included Time Inc., Harcourt Brace Jovanovich, Campbell Soup, Disney, and Honda.

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BUSINESS ROUNDUP

2 More Japanese Firms Raise Price for Chips

By Susan Chira
New York Times Service

TOKYO — Two more Japanese semiconductor companies are increasing their dollar prices for all types of semiconductors by about 20 percent, and others say they are considering such increases.

They said the increase was intended to cover currency-exchange losses caused by the appreciation of the yen against the dollar.

Fujitsu Ltd. and Oki Electric Industry Co. announced Tuesday that they would increase their dollar prices. Mitsubishi Electric Corp. indicated that it would act in the future, and Hitachi Ltd. and Toshiba Corp. are considering similar increases.

NEC Corp. announced its price increase last weekend.

Although Japanese companies said publicly that the rapid change in exchange rates had forced the new prices, analysts here said that the companies had told them that fears of "dumping" charges had also prompted the decision. Dumping occurs when a company sells a product abroad for less than its manufacturing costs.

A third interpretation of the price increases, advanced by some analysts in the United States, is that the Japanese companies have been so successful in selling market shares that they can raise prices with little fear of losing business.

Japanese semiconductor exports to the United States have been the focus of an increasingly heated trade dispute. The U.S. government is investigating dumping charges against Japanese companies, and just last week, U.S. trade negotiators met with their Japanese counterparts to discuss friction over semiconductors.

The NEC announcement was aimed primarily at 64-K and 256-K dynamic random access memory chips, the most commonly used memory chips for computers. Motorola Inc., Intel Corp., National Semiconductor Corp. and Advanced Micro Devices Inc. have all pulled out of the 64-K market as Japanese competition drove prices as low as 35 cents each.

Two U.S. concerns remain major sellers of random access memory chips: Texas Instruments and Micron Technology Inc.

Saatchi Reports Profit Jumped 120% to Record

Reuters

LONDON — Saatchi & Saatchi, the British advertising agency that keeps a professional eye on Prime Minister Margaret Thatcher's image, said Wednesday that annual pre-tax profit in the year to September rose 120 percent to a record \$40.45 million (\$60 million) from \$18.31 million.

Revenue increased to \$131 billion from \$85.43 million. Saatchi, the fifth largest advertising agency in the world, said its U.S. activities provided 58 percent of the profit and 62 percent of revenue. Business in Britain provided 29 percent of earnings and 24 percent of revenue.

The company's publicity campaigns are credited with helping Mrs. Thatcher's Conservative Party win the general elections of 1979 and 1983.

Saatchi, which has bought a number of British and U.S. companies in advertising-related fields this year, has also won trade awards for its campaigns for commercial products.

Venture Formed To Manufacture New Locomotives

Agence France-Presse

LONDON — A consortium of British, Swiss and West German companies has been formed to manufacture a new generation of diesel electric locomotives, the British participant, Northern Engineering Industries, announced Wednesday.

Its associates in the new consortium are Brown, Boveri & Cie. of Switzerland and Krupp Maschinenbau GmbH of West Germany.

The consortium was formed in light of a plan by the government-owned British Rail to replace about 2,500 diesel electric locomotives, most of which have been in service for more than 10 years. British Rail plans an initial order of about 850 locomotives.

Sir Robert Reid, the chairman of British Rail, recently complained about the reliability and performance of British equipment. Northern Engineering, therefore, decided to attack the British market with the assistance of two West European companies that are among the leaders in railroad technology.

COMPANY NOTES

Airbus Industrie, a consortium of French, West German, British and Spanish aircraft companies, has sold 10 A-320 passenger jets for \$300 million to GATX Air of San Francisco, which will lease them to commercial airlines.

Bell Group Ltd.'s holding in Broken Hill Pty. is a major position purchased as a long-term investment, the chairman, Robert Holmes à Court, said at BHP's annual meeting. Bell is not seeking board representation at the moment, he said, quashing speculation that he intended to make a partial bid for BHP, Australia's largest company.

CGEE Alsthom, a subsidiary of France's state-owned Cie Generale d'Electricite, is close to acquiring an unnamed U.S. industrial-engineering company in a bid to penetrate the U.S. industrial-automation market, according to the chairman, Philippe Boisseau.

DG BANK Deutsche Genossenschaftsbank of Frankfurt is taking over the banking business of Munich-based Bayerische Raiffeisen-Zentralbank AG, the Federal Association of People's and Agricultural Credit Banks said. BRZ was rescued with a 750-million Deutsche-mark (\$296-million) support package in October.

Fiat SpA of Italy has sold a 20-percent equity stake in its U.S. machine-tool company, Coman Productivity Systems Inc. of Troy,

Michigan, to General Motors Corp. The price was not disclosed. Coman will also help GM design car parts so that assembly is made easier.

Gutehoffnungshütte Aktienverwaltung, a West German engineering group, reported group net profit of 126 million Deutsche marks (\$50.5 million), excluding extraordinary earnings, in 1984-85, after a net loss of 172 million DM the previous year.

Goodyear Tire & Rubber Co. said its Celeron Oil & Gas Co. unit agreed to purchase oil producing properties near Bakersfield, California, from Chevron USA Inc. for about \$395 million.

Lloyds Bank PLC has placed its entire 21.3-percent holding of 46.3 million ordinary shares in Royal Bank of Scotland Group PLC at 270 pence per share. Profit would be around \$80 million (\$118.5 million) after tax.

R.H. Macy & Co.'s senior vice president, Donald Eugene, has denied a Wall Street Journal report that the management of the 10th largest U.S. retailer is having trouble raising the financing for its \$3.58-billion offer to take the company private and is considering cutting its 570-a-share bid by \$1 to \$4 a share.

People Express wants to add Zurich or Frankfurt to its airline network, the chairman, Donald Burr, said.

Airbus Executive To Head Dornier

Agence France-Presse

BONN — Johann Schäffler, executive vice president and general manager of Airbus Industrie, will leave his post to head Dornier GmbH, the West German aeronautics company, sources said Wednesday.

Daimler-Benz AG plans to restructure Dornier, in which it acquired a 66-percent interest in May. Mr. Schäffler, previously an executive with Messerschmitt-Bölkow-Blom, from West German aircraft company, has held his position with the Airbus consortium since April. France and West Germany each own 37.9 percent of Airbus, Britain owns 20 percent and Spain 4.2 percent.

Head of Nikko Co. Unit Leaps to Death in Tokyo

Reuters

TOKYO — The president of Nikko International Capital Investment Management Co., Goro Fujikawa, leaped to his death from the window of his fifth-floor office on Wednesday, police said.

The 57-year-old Mr. Fujikawa was suffering from high blood pressure and was worried about the illness, police said without elaborating. The company is the investment advisory body of Nikko Securities Co.

A Year After Bhopal, Carbide Faces Lawsuits, Low Morale

(Continued from Page 9)
ings, "the bottom line in both is corporate responsibility," Mr. Ramani said.

In India, as in Danbury, adversarial lines are becoming more firmly drawn. Indian officials released on Friday another in a string of reports charging Carbide with negligence in operating the Bhopal plant and said that Mr. Anderson should be questioned in India about the case.

And it was reported Tuesday that protesters carried burning offi-

3 Big U.K. Banks Plan Free Service

The Associated Press

LONDON — Three of Britain's four biggest commercial banks have said they will switch to free banking for their 14.7 million customers on all checking accounts kept in credit, bringing them in line with Midland Bank PLC.

The move by Barclays Bank PLC, National Westminster Bank PLC and Lloyds Bank PLC is designed to halt the loss of customers to Midland, the other one of the four biggest, and to other smaller banks that have also been offering free banking.

Midland said that since introducing free banking a year ago it had gained 450,000 new customers. Barclays and National Westminster will switch immediately, they said Tuesday, and Lloyds next March.

gies of Mr. Anderson through the streets of Bhopal to mark the first anniversary of the leak. Paramilitary forces guarded the company's plant.

Carbide, although it declines to offer evidence, is suggesting that the Bhopal disaster was caused by sabotage or vandalism. A turning point in the litigation could come as early as Jan. 3, when oral arguments are scheduled in Federal District Court in Manhattan on where the lawsuits should be tried. Carbide hopes to have the cases tried in India, where some legal experts have said that monetary awards are likely to be lower than in U.S. courts.

But the District Court ruling could pose problems for Carbide either way. For months, Wall Street rumors have cast Carbide as a takeover candidate, and the company could become a more attractive target if its liability to the Bhopal victims, as measured by cold financial analysis, seems to be reduced.

"Carbide was in disorder after Bhopal; now they have a takeover breathing down their necks, and the disorder has turned to panic," said Peter Butler, an analyst at Paine Webber.

The takeover speculation stems largely from investments over the last six months by New Jersey-based GAF.

GAF told the SEC in September that it had acquired 10 percent of Carbide's stock, and that its stake might be increased to 15 percent. Neither Mr. Heyman nor other

GAF executives would agree to be interviewed.

Under federal law, both companies have been asked to submit information about their businesses to the Justice Department for anti-trust review. Mr. Anderson said that he expected the review to begin soon and that GAF would be free to begin buying more Carbide shares by late this month.

Mr. Anderson said that "GAF has been a boon to us" because its investments have been widely perceived on Wall Street as a takeover threat, and thereby increased the value of Carbide shares. The stock, which traded in the \$52-to-\$57-a-share range in September, is now trading in the low \$60s. Immediately before the Bhopal incident, it had been trading in the high \$40s.

Mr. Anderson added that "whatever the takeover threat is, I don't know."

"Whatever Sam Heyman is up to, doesn't shake me," he said. "After all, anybody who has been through Bhopal is hard to shake up."

Carbiders, as the employees here call themselves, maintain that company morale has been affected more by the radical corporate restructuring than by the tragic aftermath of Bhopal.

Some headquarters employees said privately that the Bhopal disaster, followed by the West Virginia leak, made many work harder, galvanizing a sense of team spirit. When asked for contributions last spring, the Carbide staff gave \$150,000 from their paychecks for the Bhopal relief effort.

But the restructuring, which many analysts say is long overdue, changed perceptions of the company.

"We always thought of Carbide as a family, a place that takes care of you, where you have a career instead of just a job," said Albert Stewart, a former national marketing manager for Carbide who retired on his 65th birthday only days before the Bhopal disaster.

Now associate dean of students at Western Connecticut State College in Danbury, Mr. Stewart said that many employees that Carbide had hoped to keep had resigned in recent months, while those remaining had adopted a far less familiar attitude toward the company.

"The days of naive optimism are over, and that's probably good," he said. "But a lot of Carbide people are bitter."

As part of its restructuring, Carbide offered financial incentives aimed at reducing its U.S. work force this year by 15 percent, or 4,100 employees. As of late November, however, more employees had taken advantage of the program than had been anticipated, leaving the company with 4,640 fewer workers.

The restructuring also includes the sale of assets, most of them part of Carbide's slow-growing metals and chemicals lines.

A chemical plant in Ponce, Puerto Rico, an international welding and cutting tools business, and several other businesses have already been sold, and the company said it hoped to raise \$500 million from the divestitures.

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The Notes are direct and general obligations of Crédit National unconditionally guaranteed as to payment of principal and interest by The Republic of France.

The Convertible Floating Rate Notes Due 1995 (the "Dollar Notes") are convertible at the option of the holder into Floating Rate Notes Due 1995 denominated in ECU (European Currency Units) (the "ECU Notes"), on any Interest Payment Date falling in or before December 1987, at the conversion rate of \$0.85265 per ECU.

Interest on the Notes will be payable quarterly on March 1, June 1, September 1 and December 1. The interest rate applicable to Dollar Notes for each quarterly interest period will be equal to 35 basis points above the 91-day Treasury bill auction rate (expressed on a certificate of deposit equivalent basis). The interest rate applicable to ECU Notes for each quarterly interest period will be that applicable to Dollar Notes notionally hedged into ECU utilizing spot and three-month forward U.S. dollar/ECU exchange rates.

Salomon Brothers Inc

Bear, Stearns & Co. Inc.

The First Boston Corporation

Goldman, Sachs & Co.

Kidder, Peabody & Co.

Merrill Lynch Capital Markets

Morgan Stanley & Co.

PaineWebber
Incorporated

Shearson Lehman Brothers Inc.

Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg.

(Continued from Page 10)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	Close	Chg.
44.00	42.00	IBM	3.00	6.8	12.5	110.00	100.00	108.00	+8.00
35.00	33.00	Microsoft	0.00	0.0	15.0	35.00	30.00	34.00	+4.00
25.00	23.00	Apple	0.00	0.0	10.0	25.00	20.00	24.00	+4.00
15.00	13.00	Oracle	0.00	0.0	8.0	15.00	10.00	14.00	+4.00
10.00	9.00	Lotus	0.00	0.0	7.0	10.00	8.00	9.00	+1.00
5.00	4.00	Visa	0.00	0.0	5.0	5.00	4.00	4.50	+0.50
3.00	2.00	MasterCard	0.00	0.0	3.0	3.00	2.00	2.50	+0.50
2.00	1.00	Discover	0.00	0.0	2.0	2.00	1.00	1.50	+0.50
1.00	0.50	Amex	0.00	0.0	1.0	1.00	0.50	0.75	+0.25

U.S. Futures

Via The Associated Press

Season High Season Low Open High Low Close Chg.

Dec 4

Grains

WHEAT (CBT)

1200 bushels per bushel

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التميز في العمل

Wednesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.

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12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.

Floating-Rate Notes

Issuer/Note	12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	

Issuer/Note	12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
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Issuer/Note	12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
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Issuer/Note	12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
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Issuer/Note	12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
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12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	
12 Month High Low Stock	Div. Yld. PE	52 Wk High Low	Close	Chg.	

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Cartels Are Facing a Time of Crisis

(Continued from Page 1)

million from a glutted market. Yet prices remain near the bottom of the target range.

An exception to the downward price spiral is coffee, which is the second-ranking international commodity after oil, with about \$10 billion traded annually. In fact, coffee prices hit a five-year high on Monday. Although there are some strains in the cartel, coffee prices have been stabilized by the International Coffee Agreement.

The coffee cartel, by limiting output, has kept prices above what they would likely be, experts say. In doing so, it has also ironed out the violent price swings in the market — perceived as a plus for both producers and consumers.

The pressure on cartels is part of a profound turnaround in commodities — from an inflationary environment just 5 to 10 years ago in which users and investors scrambled to get their hands on supplies, to today's low inflation, which penalizes those who hold commodities.

Ironically, it was the soaring prices of the 1970s that encouraged higher output and contributed to the glut.

Bearing the brunt of this depression are developing countries that produce the bulk of commodities, including Brazil, Bolivia, Malaysia, Thailand, Ivory Coast, and Uganda. Many of these countries depend on commodity exports for most of their hard-currency earnings. They desperately need those earnings to deal with large foreign debts that many of them built up when commodities prices were believed to be in the fast-lane of a one-way highway.

Bolivia, for instance, estimates that revenue from tin sales, which accounted for a third of its exports last year, could be cut by more than half this year because of the price decline.

Still, the recent troubles underscore one fact. Despite their problems, the cartels have generally kept prices above what they would have been in a competitive market.

"If you look at commodities where there are no cartels, you'll see that prices have eroded even further," David Hartman, an international economist with Data Resources, said. "If you look at tin, they kept marginal producers in business for longer than would have been the case otherwise."

Some of the cartels, such as coffee, try to manipulate supply and prices by setting quotas that limit the amount that members may export. Others, such as tin, use buffer stocks to buy or sell the commodity in the open market in an attempt to keep prices within a set range.

The tin market exemplifies both the difficult odds that the cartels have faced and the degree of success they have achieved.

Trading in tin is in a state of paralysis after the 108-year-old London Metals Exchange was shut down on Oct. 24 because of a credit crisis in the tin cartel. In recent years, the market has suffered from a growing oversupply. Tin has sold in the U.S. merchant market for as low as \$4.50 a pound recently, according to Rudolf Wolff Futures, compared with \$5.35 a pound in London before the suspension.

Tin prices were manipulated by the 23-member International Tin Council, consisting of both producing and consuming nations. The council was one of the most active cartels in operating a buffer stock — buying tin when prices were low and selling when it was too high.

The cartel kept prices at such a high level, however, that many marginal producers — including mines in Britain, Brazil and China — were encouraged to start up or raise output. The buffer-stock manager was, therefore, forced to buy up a swelling surplus.

There are several major depressions on the commodity cartels. First, the high prices enforced by some cartels, particularly OPEC, forced consumers to use less and find alternatives. Thus, demand for oil in the industrialized countries has dropped almost 20 percent in 1979.

Also, when prices were soaring, many Third World countries began expensive development projects and borrowed heavily. Now, they are spurred to produce more to earn hard currency.

"The more they produce, the more they depress prices," said David Carlin, director of industrial economics for Chase Econometrics. "But because they need the money, they can't stop."

U.S., Turkey Sign Agreement On Investment

The Associated Press

WASHINGTON — The United States has signed a treaty to encourage mutual investment with Turkey.

The treaty, signed Tuesday, provides guarantees for free transfer of money and for protection against nationalization of private property, as well as for settling disputes between a government and a private investor. Clayton K. Yentler, the U.S. trade representative, said the United States had about \$200 million invested in Turkey and "we hope it will increase."

Sukru Elekdogan, the ambassador to the United States who signed for Turkey, said his country hoped for more American investment in processing farm products, mining, tourism and other industries.

The United States had already signed investment treaties with Egypt, Panama, Haiti, Senegal, Zaire and Morocco.

Investing On Flip Side Of the News

(Continued from Page 9)

conditions and wondering if it's really efficient," he said.

His view is that the current rally is "not yet fully exploited, not yet exhausted."

Robert Farrell, chief market analyst at Merrill Lynch, also addressed the topic of the market as a leading indicator. "It certainly is anticipating that the economy will get better," he stated.

But he makes the point that Wall Street's advance has not been led by big cyclical stocks, the type of heavy industry companies that are the most economically sensitive.

"The rally has been more interest-rate driven than earnings-driven," he pointed out. "At the forefront have been defensive stocks, utilities and financials. The cyclical haven't moved much from where they were at the beginning of the year. It's been a two-tier market."

Mr. Farrell sees the chances of any near-term pullback ahead for Wall Street being only "modest," and forecasts a year-end rally in the last half of December.

"It might push the Dow moderately above 1,500," he said.

In a recent essay called "The Power of Positive Psychology," Greg A. Smith, research director at Prudential-Bache, raised a similar point about what really influences the market.

After noting that economists are increasingly expecting business to be moderately expansive next year — a good environment for the stock market — he remarked:

"From an investor's point of view, it's not particularly important if this forecast actually comes to pass. What is important is that a consensus develops about what can be expected. It is this latter point that is the basis for our very optimistic outlook for the market over the next seven to eight months."

CURRENCY MARKETS

Dollar Closes Weaker in Europe

Reuters

LONDON — The dollar closed slightly weaker Wednesday in Europe after drifting steadily lower in a session marked by the building of new long yen positions. Dealers said the new round of yen purchases signaled an end to the recent bout of profit-taking in the Japanese currency.

The U.S. currency closed in London at 2.5105 Deutsche marks, down from 2.5335 on Tuesday, and dropped to 202.72 yen from its previous close there of 205.80. Dealers said that few operators wanted to open new dollar positions as the year-end draws near.

The British pound, meanwhile, firmed to \$1.4865 from Tuesday's close of \$1.4815. It was also steady against continental currencies, showing little reaction to lower oil prices. The pound recovered to close at 3.7465 DM from an open-

ing 3.7415, but still ended below Tuesday's close of 3.7530.

Also in London, the dollar weakened to 2.0940 Swiss francs from 2.1120 on Tuesday, and slipped to 7.6775 French francs from 7.7250.

Dealers said the morning saw active two-way trading but that transactions were not large. Corporate customers were not active and most business was professional trading on short-term positions.

Dealers said most traders felt that profit-taking on the yen, after it reached the key level of 200 to the dollar recently, had probably been overdone and operators started buying the Japanese currency back.

News of a 1.1-percent decline in U.S. factory orders in October had little impact on trading as the decline was in line with forecasts, dealers said. Other data due this week includes November unemployment on Friday.

Dealers said the market remains

generally short of dollars but that the long-term view for the U.S. currency is still negative. In the short term, they said, trading is likely to remain uncertain, with some potential for a technical bounce back from key levels reached recently against the yen, mark and sterling.

The chart points are 200 yen, 250 DM and \$1.50 on the pound.

Some year-end corporate demand has tended to support the dollar at its lows, but interest is visibly slackening, one dealer in London said.

In other European markets Wednesday, the dollar was fixed at midafternoon in Frankfurt at 2.5224 DM, down from 2.5325 at the Tuesday fixing; at 7.6820 French francs in Paris, down from 7.7280, and at 1,717.30 lire in Milan, down from 1,724.00.

In Zurich, the dollar closed at 2.0963 Swiss francs, down from 2.1090 on Tuesday.

THE EUROMARKETS

EIB Launches Sterling Bond in Quiet Session

By Christopher Pizze

Reuters

LONDON — Another new issue was launched Wednesday in the Eurosterling sector, this time for the European Investment Bank, but most areas of the market were quiet because of limited activity in the secondary market, dealers said.

After Tuesday's strong response to J. Sainsbury PLC's debut issue, the EIB followed with a £50-million, 10-year bond priced at 98 1/2 with a 10 1/2-percent coupon.

In the floating-rate-note sector, Italex Ltd. launched its expected £230-million issue, which will be used to help refinance Brazilian trade credits to Italy.

The EIB issue was led managed by Baring Brothers & Co., which quoted the issue at a discount of about 1 1/2 percent, just within the total fees of 2 percent.

Dealers said that at this level, the issue yielded about the same as comparable British government bonds. They added that it appeared tightly priced, bearing in mind that the EIB is a regular borrower in the Eurobond market.

Tuesday's issue for J. Sainsbury continued to trade well within its total fees of 1 1/2 percent at a discount of about 1 1/2 percent. The lead manager for the issue, S.G. Warburg & Co., reported strong demand, especially from Swiss investors.

The £230-million floating-rate note for Italex emerged at a margin of 1/4 point over the six-month London interbank offered rate. The 6 1/2-year issue has a sinking fund that reduces the average life to 4 1/2 years.

Italex is a company incorporated in the Cayman Islands, and the

money raised from the issue will be used to support a loan to Brazil at an undisclosed rate over Libor, which has been agreed to in discussions with the Paris Club of Western creditor governments.

The issue was quoted on the when-issued market at 99.83, within the total fees of 30 basis points.

In other new issues, Chrysler Financial Corp. issued a 75-million Canadian-dollar bond paying 11 percent over seven years and priced at 100 1/4. The issue was managed by Orion Royal Bank Ltd., and was quoted just on the total fees of 1 1/2 percent.

Parbel Finance issued a bond for 50 million European currency units, paying 8 1/2 percent over 3 1/2 years and priced at 101. The issue was guaranteed by Banque Paribas Belgique and was quoted within the 1 1/2-percent fees.

Plessey Rejects GEC Offer

(Continued from Page 9)

it already got has given it no earnings growth in the past three years.

Nor, analysts noted, is Plessey large enough to transform GEC into a company on the scale of its largest overseas rivals, such as American Telephone & Telegraph Co. or Siemens AG. AT&T spent about \$2.6 billion on research and development last year. That compares with the equivalent of about \$800 million at GEC.

In the fast-growing market for telecommunications equipment, neither GEC nor Plessey has managed to perform strongly outside of Britain. System X, the centerpiece of their technology, has failed to win any significant export orders.

GEC and Plessey also share the problem of stagnant profits. The stockbrokerage of Wood, Mackenzie & Co. forecasts that GEC's pre-tax profit in the year ending March 31 will fall to £685 million from £724.6 million a year earlier. For Plessey, Wood Mackenzie forecasts a decline to £160 million from £163.7 million.

In the 1960s and 1970s, GEC swallowed and streamlined its two biggest British competitors, English Electric and Associated Electrical Industries. In recent years, however, many analysts have complained that GEC seemed to be indecisive about how to invest its "mountain" of cash and short-term securities, which currently totals nearly £1.4 billion.

New Controls In Singapore

(Continued from Page 9)

Lumpur exchange, sellers would be required to deliver share certificates within 24 hours.

He said banks have been encouraged to give loans to restore confidence in the stock market. He asserted that the banking and finance system of Malaysia was sound.

The two exchanges are separate, but Pan-Electric and hundreds of other shares cross-trade on both, and developments on one have a direct impact on the other.

Both exchanges suspended trading to prevent panic selling in a sharply declining market, influenced by Pan-Electric going into receivership last Saturday.

Wednesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

12 Month High Low 3 P.M. CHG

12 Month High Low 3 P.M. CHG

12 Month High Low 3 P.M. CHG

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SPORTS

Zivojinovic Overpowers McEnroe

Compiled by Our Staff From Dispatches
MELBOURNE — Unseeded Slobodan Zivojinovic unleashed an awesome display of power tennis here to blast John McEnroe out of the Australian Open quarterfinals here Wednesday.

The towering 22-year-old from Belgrade battered the petulant

AUSTRALIAN OPEN

McEnroe into submission, 2-6, 6-3, 1-6, 6-4, 6-0, in a sensational three-hour battle.

"You're going to pay for this — I mean it," McEnroe said across the net as he wilted under a nonstop barrage of power serves and cannonball returns that had taken the Yugoslav to a 4-0 lead in the deciding fifth set.

Someday McEnroe may make good on his promise. But this time it was all Zivojinovic; ranked 66th in the world, he dominated the final two sets.

"He disappointed me, but he is a good guy and a good player," said Zivojinovic, who last year had only \$17,601 in tennis earnings (he will make \$24,903 for making the semifinals here).

In the semis, Zivojinovic will play Sweden's Mats Wilander, who has won the last two Australian Opens — but whom Zivojinovic beat in the first round at Wimbledon earlier this year.

Wilander reached the semifinals by beating Johan Kriek of the United States, 6-3, 7-5, 6-2 in Wednesday's second quarterfinal. The third-seeded Wilander seemed in control throughout against Kriek, the No. 6 seed and the winner here in 1981 and 1982.

Wilander played the latter part of the match with his right elbow slightly bandaged because of recurrent muscle strain. "It's usually gone in a week, but this time it's getting worse," he said. "It could be gone within a few days, but I don't think it will."

Meanwhile, top-seeded Ivan Lendl of Czechoslovakia moved into the quarterfinals with a 6-3, 6-2, 6-7, 6-2 victory over unseeded South African Christo Steyn. Lendl next will play Briton John Lloyd; Michiel Schapers of the Netherlands will face Stefan Edberg of Sweden in other quarterfinals. McEnroe's 10-day stay in Mel-

bourne began with controversy and ended the same way.

He scuffled with a reporter and photographer soon after arriving and accumulated \$2,750 in fines following on-court incidents in earlier matches.

In Wednesday's match, Peter Bellenger, the tournament referee, came on to the court after the umpire had asked McEnroe to play a let early in the fourth set. "What are you doing here?" McEnroe demanded of Bellenger. "Get off the court."

During the altercation, Zivojinovic joined some spectators in a court-side box and nibbled on a sandwich. "You know how McEnroe is. Every match he tries to do the same things," he said. "I just sat down. I don't think he meant anything bad. I mean... What can I say?"

The capacity center-court crowd of 9,500 gave Zivojinovic a standing ovation following his triumph. McEnroe has never won an Australian Open and has gone through 1985 without winning a grand slam event.

His latest loss meant he would

not be able to overtake Lendl at the top of the grand prize standings; first place is worth \$800,000 in bonus money, and second place about \$550,000.

McEnroe, the No. 2 seed, was jeered as he stormed off the court shortly after his defeat. He failed to attend the post-match press conference, drawing another fine of \$1,000. He will now begin a three-week suspension after passing the \$7,500 annual limit.

McEnroe was not the only player to draw a fine Wednesday. Lendl, bidding to win this title for the first time, was given a code of conduct violation for ball abuse in the third set and bounced his racket angrily on a couple of occasions.

Steyn, ranked 170th worldwide, frequently had Lendl off balance. Lendl, the world's top-rated player, delivered four aces in his first set game and breezed the first two sets.

But Steyn, a 24-year-old graduate of the University of Miami, rallied in the third. He led, 5-2, had a set point at 5-3 and, after Lendl had fought back, took the tie breaker by 7-3. (AP, UPI)



Slobodan Zivojinovic, during his upset quarterfinal victory.

SCOREBOARD

Soccer

World Cup Qualifying

Qualifying rounds for the 1990 World Cup soccer finals in Mexico. (W) = Winner, (L) = Loser, (D) = Draw.

ITALY (winner, South American Group 1): vs. Venezuela 2-0 (away) 3-0 (home), vs. Colombia 2-1 (away) 1-0 (home), vs. Peru 0-1 (away) 2-1 (home).

URUGUAY (winner, South American Group 2): vs. Ecuador 2-1 (home) 2-0 (away), vs. Chile 0-2 (away) 2-1 (home).

BRAZIL (winner, South American Group 3): vs. Bolivia 2-0 (away) 1-1 (home), vs. Paraguay 2-0 (away) 1-1 (home).

PARAGUAY (winner of playoffs between runners-up of South American Groups 1 and 2): vs. Ecuador 2-1 (home) 2-0 (away), vs. Chile 0-2 (away) 2-1 (home).

ARGENTINA (winner of playoffs between runners-up of South American Groups 2 and 3): vs. Bolivia 1-1 (away) 1-0 (home), vs. Brazil 0-2 (home) 2-1 (away), vs. Paraguay 2-0 (home) 1-1 (away).

ARGENTINA (winner of playoffs between runners-up of South American Groups 1 and 2): vs. Chile 0-2 (away) 2-1 (home), vs. Paraguay 2-0 (home) 1-1 (away).

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Basketball

National Basketball Association Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
Boston	16	2	.889
Philadelphia	15	3	.833
New Jersey	10	8	.556
Washington	5	10	.333
New York	5	14	.261
Central Division			
Minneapolis	15	2	.882
San Antonio	12	4	.750
Atlanta	8	11	.421
Cleveland	7	11	.389
Chicago	9	12	.429
Indiana	4	14	.222
WESTERN CONFERENCE			
Los Angeles	14	2	.875
Portland	12	4	.750
Utah	10	6	.625
Dallas	10	8	.556
San Francisco	10	8	.556
Sacramento	6	12	.333
Pacific Division			
L.A. Lakers	15	2	.882
Portland	12	4	.750
Seattle	9	7	.562
Golden State	8	12	.400
L.A. Clippers	6	12	.333
Phoenix	3	16	.154

Selected College Results

EAST			
Boston 74, Worcester Tech 49	Seton Hall 85, Lowell 61	Brooklyn 64, Canisius 57	Clark 64, NYU 58
Connecticut 85, Hartford 61	Cornell 73, Marist 65	Fairfield 69, Brown 67	Fordham 66, Hartford 61
Harvard 74, Princeton 61	Siena 81, UConn 61	St. John's 85, Wagner 55	St. Joseph's 85, Wagner 55
SOUTHWEST			
Arizona 85, UCLA 61	Cal State 85, Long Beach 61	Florida 85, Miami 61	Georgia 85, Miami 61
Illinois 85, Indiana 61	Michigan 85, Ohio State 61	North Carolina 85, Duke 61	Penn State 85, Penn State 61
Rice 85, Texas 61	Texas Tech 85, Texas Tech 61	Virginia 85, Virginia 61	Washington 85, Washington 61
West Virginia 85, West Virginia 61	Wisconsin 85, Wisconsin 61	Yale 85, Yale 61	Yale 85, Yale 61

Football

NFL Leaders

AMERICAN CONFERENCE

TEAM OFFENSE

Yards Rush Pass

San Diego 518 1296 3442

Jets 489 1789 2902

Atlanta 458 1795 3443

Cincinnati 452 1746 3223

Raiders 440 1792 2678

New England 440 1772 2695

Denver 439 1566 2829

Pittsburgh 425 1740 2535

Seattle 413 1735 2742

Cleveland 409 1897 2162

Indianapolis 373 1784 2339

Kansas City 361 1718 2692

Houston 357 1725 2312

Buffalo 352 1774 2173

St. Louis 347 1774 2173

Pittsburgh 347 1774 2173

Jets 347 1774 2173

New England 347 1774 2173

Denver 347 1774 2173

Pittsburgh 347 1774 2173

Seattle 347 1774 2173

Cleveland 347 1774 2173

Indianapolis 347 1774 2173

Kansas City 347 1774 2173

Houston 347 1774 2173

Buffalo 347 1774 2173

St. Louis 347 1774 2173

Pittsburgh 347 1774 2173

Jets 347 1774 2173

New England 347 1774 2173

Denver 347 1774 2173

Pittsburgh 34

ART BUCHWALD

Punishment for Spying

WASHINGTON—The toughest thing about catching a spy is seeing that he gets the punishment he deserves. As soon as one is arrested his attorney starts bargaining for the lightest sentence in exchange for the spy's revealing how much information he turned over to the other side.

"Hello, Justice Department? This is Mat O'Hara representing Collard Cosmes, the weasel who sold the plans for the Stealth bomber to the Bulgarians. What kind of deal are you offering us?"

"We don't negotiate plea bargains for spies, O'Hara. Your guy sold out his country and the government intends to hang him by the neck until he is dead."

"You better think it over. Except for the Stealth bomber you have no idea what secrets Collard walked away with, and we have no intention of telling you if you keep demanding a pound of flesh."

"We're not talking about some two-bit code clerk, O'Hara. Cosmes is the biggest fish we've caught in years. We intend to put him in the freezer for life."

"What if I were to tell you that my client is willing to name over 120 people in the U.S. government who are still on the KGB payroll?"

"O'Hara, did it ever occur to you that we may not want to know who they are? The more spies the gov-

ernment uncovers, the worse we look in Washington. Every time we arrest somebody, Congress wants to know why it took us so long to flush him out. We reject your offer for the list of KGB agents, and we're still holding the position that Cosmes has to serve a minimum of 20 years."

"Would it whet your appetite if I told you my client smuggled blueprints of 'Star Wars' in Nancy Reagan's cosmetic case when she went to Geneva?"

"That's impossible."

"Here are the films of Gorbachev switching cosmetic cases with Nancy at the airport. My client knows the whole story and will tell you how he did it for a reduced sentence."

"The law is the law. Every person in this country must be punished according to his crime. In this case Cosmes has to do at least seven years for compromising the security of the nation."

"Apparently you don't realize that a predicament you're in. You people have spies coming out of your ears and spies coming out of your socks. If you don't show mercy to Cosmes I'll advise him to remain mum about the nuclear submarine codes that he has stashed away in a pumpkin in the northeast part of the United States."

"What sub codes?"

"I can't say because we might have to sell them to another country for legal expenses if you make us go to trial."

"O'Hara, we have an open-and-shut case on your client committing treason. No matter what information you say he can turn over to us he still will have to rot for 30 days in the county jail."

"I can't believe my ears. Collard made one lousy mistake of selling his country down the river, and when he says he's sorry and offers to make amends, your response is that he spend a month behind bars."

"What do you think Cosmes should get for cooperating with us?"

"It wouldn't bother me if you charged him with one count of failing to curb his dog."

"The government can live with that. We were afraid you were going to hold out for the Medal of Honor."

Rambo for Holidays

Canceled by BBC TV

United Press International

LONDON—The BBC planned to air the Sylvester Stallone film "First Blood" at Christmastime but decided to delay it until a season when fewer children were likely to be watching, a broadcasting source said Wednesday.

The BBC confirmed that it had canceled the showing of "First Blood." Bill Cotton, director of BBC television, said a BBC official had viewed the film and "decided to postpone it until a more suitable placing could be found."

Status Puzzle for Tiny French Holding

By Christopher S. Wren

New York Times Service

ST. PIERRE, St. Pierre and Miquelon—Once upon a time off the east coast of Canada there lived a French colony called St. Pierre and Miquelon.

Then in 1938 the islands were renamed a territory, and in 1976 they became an overseas department of France. Last May, Paris redesignated them a "collectivité," and the inhabitants are not sure where that leaves them now.

The barren islands, which include St. Pierre, Miquelon and Langlade, sit blanketed by fog most of the year a dozen miles south of Newfoundland. They are the last vestiges of the empire France held in North America, before it lost out to Britain more than two centuries ago.

When the islands were made a department on a par with metropolitan France, their new status collided with the tariff structure of the European Community, to which France belongs.

St. Pierre and Miquelon imports about 70 percent of its supplies, including fuel and building materials, from Canada. (The rest, including clothing and consumer goods, is shipped from Le Havre by way of Nova Scotia.)

Canadian goods become subject to stiff tariffs that threaten to double the cost of living. Fishing, the only viable industry, faced similar problems because fish caught off Canada would fall within France's quota in the EC.

So Paris created a different category for St. Pierre and Miquelon, to just about everyone's confusion.

"We were proud to call ourselves a department," said René Dagot, a local businessman. "Now, when we see we are a collectivité, we don't know ourselves what it means."

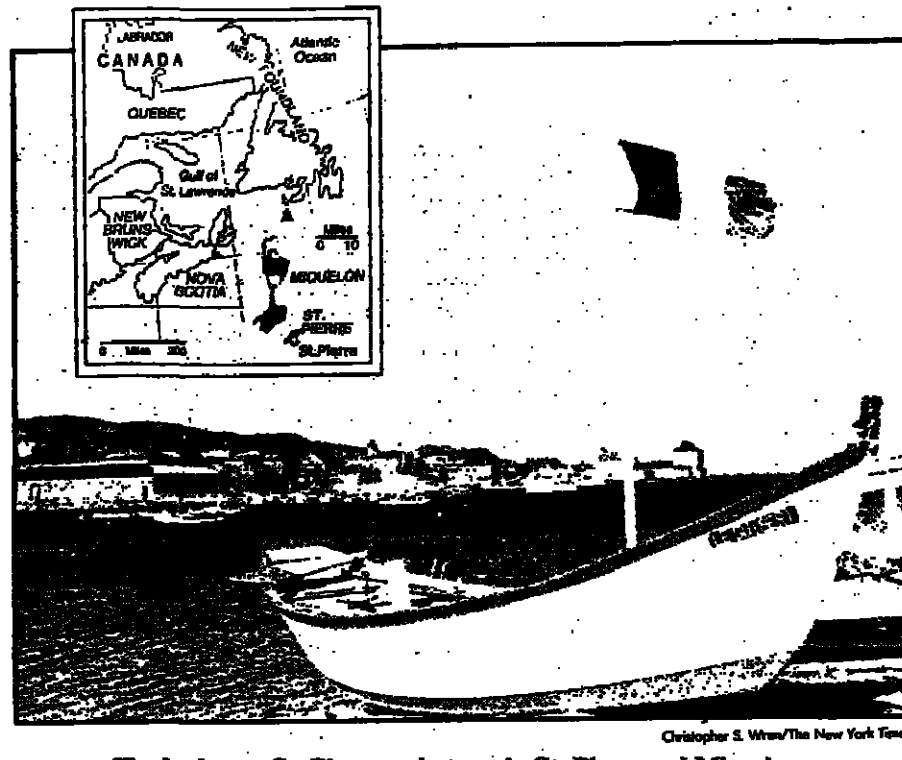
Like Guadeloupe and Martinique in the Caribbean, St. Pierre and Miquelon is a regional anomaly, with ties to France that reach back three and a half centuries. The brightly painted frame houses that hug the rocky hillside of St. Pierre, the only town, could be in Maine. But the French tricolor flies over public buildings, and blue and white signs mark the narrow streets traveled by Peugeot and Citroën.

"The architecture of the houses is much closer to that of North America than to France," said Georges Poulet, a former governor who married and retired in St. Pierre. "But when you go to the United States or Canada, when you come back here, you feel you have arrived in a French village."

Paul Dijoud, a former French minister of overseas development, flew to St. Pierre this fall to test the electoral waters. He wanted to run for one of the two seats allotted to the islands in the French legislature.

France, like Britain, does not require its politicians to live in their constituencies. After Jacques Vendroux, a relative of Charles de Gaulle, was elected a deputy from St. Pierre and Miquelon, "he never came back," an islander recalled. The town council was sympathetic to Dijoud, but some townspeople want his candidacy to go to one of their own.

France has been slow to concede the islanders full control over their lives. Military doctors from France run the hospital.



The harbor at St. Pierre, only town in St. Pierre and Miquelon.

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Gendarmes are rotated from Paris to keep order on the islands, which cover about 93 square miles (242 square kilometers). "There are 35 gendarmes, and they have nothing to do," said Henri Huet, a local doctor. "There is no crime because there is no place to go."

By one estimate, France has been spending \$26 million a year on the 6,200 inhabitants. The government employs about half the local work force. St. Pierre's television and radio station has 80 people from France handling local news and satellite broadcasts from the mother country.

"The island is loaded with civil servants," said Jean-Pierre Andrieux, a hotel owner and Canada's honorary consul. France maintains a conspicuous presence partly because of potential oil deposits in the surrounding Atlantic waters. No oil has been found, and Canada has disputed France's claim to a 200-mile offshore economic zone.

The islanders, descendants mostly of Norman, Breton and Basque seafarers, do not mix well with the Parisians sent to govern them. Last February angry workers from the town's fish processing plant barged into the office of the prefect appointed by Paris, Gérard Lefebvre, marched him down to the harbor and deported him to Canada after he tried to settle a labor dispute.

It was the latest in a lively history of small rebellions. In 1965, after a wave of strikes, sit-ins and demonstrations, the governor summoned troops from a warship under cover of darkness. They did not leave until 1974.

"The villagers called a general strike but it didn't last long, because the local girls married the invaders," Andrieux recalled. Unrest also broke out in 1975 and 1983. Some islanders waved small Canadian flags as a gesture of defiance. But most admit that St. Pierre and Miquelon would fare no better under Canada.

"It would be a rock off Newfoundland like any other," Andrieux said. "We're only what we are today because we have a French flag."

PEOPLE

Film on Biko Planned

Zimbabwe has been chosen for the shooting of a film about the black South African leader Steve Biko by Sir Richard Attenborough, an Information Ministry official said Wednesday in Harare. Biko died in police detention in September 1977 after receiving extensive head injuries while in custody. Attenborough's location manager said the director would probably hire a relatively unknown actor for the key role, as he did when he selected Ben Kingsley to play Mohandas K. Gandhi.

Laurence Olivier will make his music video debut in a clip for a Paul Hardcastle single, "Just for Money." Hardcastle, who wrote and produced "19," a synthesizer record about the Vietnam War that became an unlikely dance-club hit, has kept his focus on violence in "Just for Money," whose subjects are the St. Valentine's Day Massacre and the Great Train Robbery.

Lord Olivier joined another actor, Bob Hoskins, in recording spoken parts for the record and video. The video includes several shots of Olivier and Hoskins as commentators.

The French writer and political scientist Alfred Grosser was awarded the Adolphe Hecquet prize Wednesday in Paris for his book "L'Allemagne en Occident," and the body of his work. The prize, established in 1973 and named after a Dutch diplomat, is given for contributions to "European cooperation, the safeguarding of peace and the fight against fanaticism." It carries a \$5,000 award.

Prince Michael of Kent and his wife will have a private audience Monday with Pope John Paul II, more than seven years after the Vatican refused them permission to marry in a Roman Catholic ceremony. "They have both wanted this for a long time. It is the fulfillment of a long-cherished wish," said Michael's private secretary, Prince Michael, 43, belongs to the Church of England and his Austrian-born wife, Princess Michael, 40, is a twice-married Roman Catholic. They wed in Vienna on June 30, 1978, after the Vatican refused them a dispensation that formerly married Catholics need if they are to have a church ceremony.

Bruce Springsteen, whose songs have rhapsodized blue-collar life, and the country singer Willie Nelson have signed a letter in a newspaper advertisement on behalf of 430 workers who are expected to lose their jobs at two 3M plants in Springsteen's hometown of Freehold, New Jersey. The ad—sponsored by Local 8-766 of the O.I. Chemical Union and the American Workers by the Labor Institute, a New York-based public interest organization that provides services for unions—appeared in The New York Times, the Asbury Park (New Jersey) Press, the St. Paul (Minnesota) Pioneer Press-Dispatch in 3M's hometown, and the show-business newspaper Variety. Below the letter appear lyrics from "My Hometown." Springsteen's ode to Freehold. They read, in part:

Now Main Street's whitewashed windows
And vacant store
Seems like there ain't nobody
Wants to come down here no more.
They're closing down the textile mill
Across the railroad tracks
Foreman says these jobs are going
Boys and they ain't coming back
To your hometown.

Connie Francis has been booked on trepass and battery charges and released from custody after refusing to put out a cigarette aboard a Delta flight to Los Angeles that was being refueled in Atlanta. Police said the singer kicked one of the officers who escorted her off the aircraft after she ignored the captain's personal request to extinguish her cigarette and refused to leave the plane.

LEGAL NOTICES

COMMONWEALTH OF MASS.

Plaintiff, v. Defendant. In the Superior Court of the Commonwealth of Massachusetts, in and for the County of Suffolk. Case No. 85-01070-D. Plaintiff, v. Defendant. In the Superior Court of the Commonwealth of Massachusetts, in and for the County of Suffolk. Case No. 85-01070-D. Plaintiff, v. Defendant. In the Superior Court of the Commonwealth of Massachusetts, in and for the County of Suffolk. Case No. 85-01070-D.

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